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擎邦國際科技工程股份有限公司
KING POLYTECHNIC ENGINEERING CO., LTD.

2024 Annual Report

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Market Observation Post System : <http://mops.twse.com.tw>

Website of the Company : [//www.kpec.com.tw](http://www.kpec.com.tw)/ Investor section

Publication date: April 18, 2025.

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One. Letter to Shareholders

Dear Shareholders,

First of all, I would like to thank all shareholders for your unwavering support, and the dedication and efforts from all directors, supervisors, and employees of the Company. I would also like to thank all of you for taking time out of your busy schedules to attend the AGM.

Looking back on 2024, the global economy slowed down due to a range of factors, including geopolitical tensions, the ongoing U.S.-China trade dispute, the Russia-Ukraine war, and high inflation. As a result, both domestic and international enterprises have become more conservative in their investment activities. However, thanks to the abundant backlog of construction projects accumulated over the years and the fact that many projects have entered peak construction phases, the Company, through the concerted efforts of all staff, achieved a consolidated revenue of NT\$4.13 billion and a net profit after tax of NT\$340 million for the year. Our backlog of work in progress remained at approximately NT\$11.1 billion. These figures represent the second-highest results for the same period in the Company's history. Furthermore, our Company was honored with the Gold Quality Award for Phase II of the Taichung International Convention and Exhibition Center project, marking another major achievement.

Domestically, in the areas of petrochemical/chemical turnkey engineering and public infrastructure, several key projects have entered the final completion and acceptance stage, including: Chi Mei Corporation's new resource recovery furnace plant project; the turnkey expansion of the nitrogen plant for Nanya Technology's Taishan DRAM Plant Phase 9-3; and Phase I & II of the Shuinan International Conference and Exhibition Center for the Taichung City Government. Meanwhile, other major projects have entered peak construction, such as: the turnkey project for specialty chemical engineering for the semiconductor industry at the Southern Taiwan Plant of a German enterprise; the electrical and plumbing works for the BES Cloud Universe Industrial Park by CEC; Phase II expansion at Grape King's Longtan Campus; and the CQ870 section of Phase I of the Wanda MRT Line. As for the high-tech turnkey projects that the Company has cultivated in recent years, the MEP and fire protection turnkey project for Formosa SUMCO's 12-inch wafer fab has also successfully entered the fire inspection and acceptance stage. The Company will continue to expand its presence in the high-tech industry, building upon its past performance in MEP, HVAC, and cleanroom systems, as well as its recent achievements in wafer fab construction.

Although weak end-market demand and inventory adjustments have slowed global economic growth and impacted investment activities, the continued development of advanced packaging, the rising demand for generative AI, and the increasing need for high-bandwidth memory (HBM) for AI server infrastructure are expected to drive further investment by major semiconductor and related companies. In response to the net-zero emission trend, many existing plants are falling behind international standards, creating high visibility for future construction plans. Moreover, to stimulate economic growth, the government continues to increase investment in green energy and public infrastructure while accelerating budget execution. As a result, our business has not been significantly affected by the overall economic slowdown. Recently secured projects — such as the MEP work for the new office and plant building of MediaTek and Mektex; the CF624F sub-package for electrical, plumbing, and environmental control works in the CF690B contract (civil and E&M systems for sections Y27–Y29 of the Circular Line) from the Taipei City Government's Department of Rapid Transit Systems; the expansion of Formosa Plastics' Renwu carbon fiber plant; the MEP turnkey project for Formosa's Kaohsiung port oil terminal; the temporary LNG pipeline construction project under CPC's Phase III Taichung Plant investment plan; the MEP work for the Taichung City Government's new Dome Sports Complex; and the electrical and plumbing work for the new BES Cloud Universe Industrial Park — all contribute to our continued accumulation of project experience in petrochemical/chemical, high-tech, public works, and smart industries. Through strategic development in diversified industries and multi-disciplinary expertise, combined with vertical specialization, horizontal integration, and the cultivation of diverse talents, we are firmly establishing a competitive edge.

The 2024 business results and 2025 business plan are hereby reported as follows:

I. Business Report of 2024:

(I) Implementation results of the **2024** business plan:

The Company's operating revenue in 2024 was NT\$4,131,669 thousand, an decrease of NT\$1,182,135 thousand compared to 2023. The net profit after tax was NT\$344,217 thousand, compared with the net profit after tax in 2023 of NT\$390,708 thousand. It is an decrease of earnings by NT\$46,491 thousand, with an decrease of 11.9%, resulting in an EPS of NT\$4.41.

(II) Comparison of **2024** and **2023**:

Unit: In Thousands of New Taiwan Dollars

Items	2024 Actual Numbers	2023 Actual Numbers	Increase/decrease rate (%)
Operating revenue	4,131,669	5,313,804	-22.25%
Gross profit	527,885	600,535	-12.10%
Operating expenses	125,870	135,311	-6.98%
Operating profit (loss)	402,015	465,224	-13.59%
Non-operating income and expense	27,859	19,757	41.01%
Net profit (loss) before tax	429,874	484,981	-11.36%
Income tax expenses	85,657	94,273	-9.14%
Net profit (or loss) for the period.	344,217	390,708	-11.90%

Note: Figures in this table are based on the 2024 consolidated financial statements audited and verified by CPAs.

(III) Analysis of revenues, expenses and profitability for **2024** and **2023**:

Unit: In Thousands of New Taiwan Dollars

Analysis items		2023	2023	
Revenues and expenses	Operating revenue		4,131,669	5,313,804
	Gross profit		527,885	600,535
	Net profit (or loss) for the period.		344,217	390,708
Profitability	Return on assets (%)		8.38	10.93
	Return on shareholders' equity (%)		20.02	27.06
	As a percentage of paid-in capital (%)	Operating profit	51.48	62.55
		Net profit before tax	55.05	65.21
	Net profit margin (%)		8.33	7.35
	Earnings per share (NT\$) (Note)		4.41	5.25

Note: Figures in this table are based on the 2024 consolidated financial statements audited and verified by CPAs.

II. The business plan for 2025:

The Company is one of the few contractors in Taiwan that can undertake EPC turnkey projects for medium-to-large-scale industrial process plants and public works. Its industries cover petrochemical/chemical, high-tech, public works, energy and environmental protection, and biotech and pharmaceutical fields, with professional background spanning over production process, civil engineering, construction, machinery, chemical engineering, instrument control, water, electricity, fire protection, air conditioning, clean rooms, and light-current. We have accumulated years of practical

experience in project management in the professional technology of system integration from planning and design, procurement services, construction supervision, system integration, commissioning to operation and maintenance.

Although the global economy in 2024 continued to be weighed down by sluggish end-market demand and industry-wide inventory adjustments, resulting in persistently weak growth momentum, further uncertainties are expected to arise starting in 2025 with the election of Donald Trump in the United States, which is anticipated to extend the U.S.-China trade conflict. Nevertheless, driven by the growing demand for emerging technologies, both domestic and international markets are accelerating their efforts in AI-related industries and advanced semiconductor processes. The demand for chips remains robust, fueling global developments in the Internet of Things (IoT), artificial intelligence (AI), electric vehicles (EVs), robotics, cloud data centers, smart manufacturing, smart cities, and smart healthcare. These industries are expected to present substantial long-term business opportunities. In response to the global push toward net-zero emissions, governments are also accelerating ESG (Environmental, Social, and Governance) initiatives. Leading enterprises across various industries are placing greater emphasis on carbon neutrality and green manufacturing. Petrochemical companies, in particular, are speeding up their transformation efforts by investing in high-value and specialty chemical products, as well as energy storage battery materials. At the same time, they are increasing investment in clean energy sources such as wind power, solar energy, hydrogen, and carbon capture, utilization, and storage (CCUS) technologies. In light of these trends, the Company will continue to strengthen its core competencies while integrating corporate social responsibility and sustainable thinking into its strategic business development. We aim to further enhance our value-added innovative services and expand into areas such as environmental energy, sustainable development, and the circular economy.

(I) Core business areas

(1) Petrochemical/chemical industry

With the gradual increase in the production of petrochemical feedstocks and chemical products in Mainland China, global market demand is nearing saturation, and large-scale capacity expansion in the petrochemical and chemical industries is unlikely to reoccur. However, as demand for advanced semiconductor processes and generative AI continues to grow rapidly, the market for specialty chemicals remains robust. In response, petrochemical and chemical companies have, in recent years, increasingly shifted toward the development of high-value-added specialty chemicals, electronic-grade chemicals, gas supply, and recycling and reuse solutions. In addition, driven by Taiwan's energy transition policies, future plant construction will center on process-related industries such as hydrogen power generation, carbon capture, utilization and storage (CCUS), environmental protection and waste reduction, circular economy, and renewable energy. These emerging industries, however, are all fundamentally supported by the petrochemical and chemical sectors. The Company has been deeply engaged in the petrochemical and chemical engineering fields for over 40 years. Backed by a strong professional service team, we continuously enhance our process optimization technologies and specialized design capabilities, strengthen procurement and supply chain management, and improve on-site construction supervision. In recent years, we have actively advanced the digitalization and intelligent design of entire plants, aiming to build modern smart factories and intelligent manufacturing systems that incorporate Industry 4.0 technologies. Through EPC+ value-added services, we help clients improve production efficiency, reduce plant construction costs, create greater value, and enhance industrial competitiveness, thereby achieving the ESG goals of sustainable operations.

(2) High-tech industries

Although the high-tech industry has faced sluggish end-market demand and inventory adjustments since 2024, it continues to encounter various uncertainties and challenges. Nevertheless, driven by the sustained trend of advanced packaging, the expanding demand for generative AI, and the anticipated growth in demand for high-bandwidth memory (HBM), major semiconductor companies and related supply chains are expected to continue expanding their investments. This will contribute to a recovery in the overall semiconductor sales market in 2025. Furthermore, as AI applications continue to broaden, engineering opportunities related to data centers are also expected to grow in parallel. Following several years of capacity adjustments, the memory market is gradually stabilizing. In addition to the increasing share of HBM in response to growing AI and server demands, conventional DRAM products are also undergoing ongoing inventory digestion. The market is expected to recover steadily in the second half of 2025. The Company continues to strengthen its presence in the semiconductor and high-tech sectors through the near-completion of several key projects, including the turnkey

MEP and fire protection works for Formosa Sumco's new 12-inch wafer fab, as well as projects related to specialty chemicals for semiconductors. In addition, the newly awarded MEP works for the new fab and office building of MediaTek's affiliate, Mediatek Mektec, will further reinforce our industry track record and technical expertise. Moreover, the Company has fully integrated Building Information Modeling (BIM) technology into its construction processes to enhance spatial coordination and reduce pipeline conflicts during construction. This improves the accuracy of on-site implementation, thereby enhancing project quality and shortening construction schedules.

(3) Public works

In order to stimulate economic growth, the government continues to increase investments in public infrastructure. For the fiscal year 2025, the government's major public construction projects, including the central government public funding and the fifth phase of the Forward-looking Infrastructure Program, have allocated a total of NT\$292.25 billion, setting a new record. In the field of public works, in addition to the long-established projects in which the Company has extensive experience, such as mass rapid transit systems, ultra-high voltage underground cable tunnel projects, and public buildings, the Taiwan Power Company's Resilient Power Grid Construction Project, CPC Corporation's Net Zero Transformation Projects, and digital infrastructure-related public works have all started procurement bidding, presenting numerous business opportunities. In 2024, the Company was awarded the highest honor, the Quality Award, by the Ministry of Economic Affairs for the turnkey pipeline project of 12 oil tanks and auxiliary facilities at the CPC Dalin Petrochemical Oil Storage and Transportation Center. Additionally, in 2025, the Company won the Gold Quality Award and the Gold Safety Award for the Phase II Water and Exhibition Center project of the Shui Nan International Convention Center by the Taichung City Government. These accolades have helped build an excellent reputation, enabling the Company to secure further contracts, including the Water, Electrical, Firefighting, and HVAC works for the Taichung Arena Sports Complex and the Water, Electrical, Firefighting, and Environmental Control works for the Taipei City Government MRT Bureau's CF690B procurement for the Circular Line Y27-29 Civil and Water/Electrical/Environmental Control Works. Moving forward, the Company will continue to leverage its existing advantages to select and aggressively pursue suitable bids.

(4) Clean energy and environmental protection related industries

In line with the trends of net-zero emissions, green environmental protection, and corporate sustainability, clean energy and low-carbon engineering industries will continue to see expanded investments. Starting in 2025, the government will implement carbon tariffs and voluntary reduction programs, creating related business opportunities. Enterprises and state-owned entities, such as CPC Corporation, Taiwan Power Company, and China Steel Corporation, have already begun developing carbon capture and reuse technologies and are promoting the circular economy. The government is also actively supporting the development of hydrogen power generation and offshore wind power, with plans to replace coal-fired power plants with natural gas, driving the construction of liquefied natural gas (LNG) storage and transportation facilities and "green hydrogen" power generation technologies. In addition, in line with the principles of emission reduction and circular economy, waste resource recycling, reclaimed water, and waste solvent recycling will become a future trend. The establishment of zero-waste centers in science and industrial parks is expected to be a key direction. The Company will continue to focus on global energy transformation opportunities, leveraging the expertise gained from the near-completion of the Chimei Resource Recycling Furnace Factory project to enhance its environmental protection capabilities. By utilizing its EPC turnkey project integration capacity and collaborating with domestic and international technology providers, the Company will actively pursue renewable energy and environmental protection-related projects.

(5) Biotechnology, Medical, and Pharmaceutical Industries

With the global trend of an aging population, Taiwan will enter a super-aged society in 2025, driven by technological advancements that foster breakthroughs in biotechnology. Taiwan's biotech industry encompasses applied biotechnology, pharmaceuticals, and medical devices, and has experienced growth in health-related demand post-pandemic. The Company will leverage its past experience, such as the design of the Nanya Shulin Blood Bag Factory, the second-phase expansion of the Grape King Biotech Longtan Park, and the 20-ton

oxygen-consuming fermentation system at Chang Gung Biotech Taishan, to continue enhancing its expertise and actively pursue related construction projects.

In the healthcare industry, many hospitals under the Ministry of Health and Welfare (MOHW) are historic buildings in need of renovation or replacement. Currently, several hospitals are planning new construction or expansions. The MOHW's "Next-Generation Digital Healthcare Platform" (DHP) will break down data silos in healthcare, providing more accurate medical support and promoting digital transformation. The Company, through its collaboration with the group's investment in Ratelin Technology Co., Ltd., has secured the smart healthcare-related project at Chang Gung Memorial Hospital, and will build on this foundation to continuously develop expertise in smart healthcare technology and actively participate in related projects.

(II) Value-added innovative services

Driven by the global trends of energy conservation, carbon reduction, and green environmental protection, industries such as smart factories, smart buildings, and smart healthcare have rapidly developed, moving towards the goal of smart cities. The Company, through its investment in Ratelin Technology Co., Ltd. and related smart system suppliers, is developing energy management systems that integrate big data and AI technologies. Through energy information visualization, we help clients enhance energy efficiency, identify abnormal losses, and establish energy-saving strategies. In the future, we will deepen energy and raw material monitoring in production processes and use advanced technologies to drive the transformation towards net-zero carbon emissions, expanding green engineering opportunities. The Company will also accumulate smart technology experience through projects such as the new construction of the China Engineering Cloud Universe Industrial Park and other smart factory cases, while offering EPC+AI artificial intelligence value-added integration services to accelerate business development.

(III) Sustainable Development

Corporate sustainable development and net-zero emissions have become key issues. Our company has established a Corporate Sustainability Committee, covering four key areas: "Sustainable Engineering," "Environmental Protection," "Social Harmony," and "Corporate Governance." For several consecutive years, we have successfully completed ISO 14064 greenhouse gas emission verification. In 2024, our company officially published its Corporate Sustainability Report and will actively develop green technologies, invest in green projects, and collaborate with partners to build a low-carbon supply chain, providing net-zero EPC value engineering services to achieve energy conservation, carbon reduction, and carbon neutrality goals.

Furthermore, our company continues to promote occupational health and safety management. We have implemented the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System and have received multiple awards for occupational safety, ensuring that employees and partners work in a safe environment.

Our business spans various industries, and we will continue to leverage our expertise in mechanical and electrical systems integration, combining energy management, equipment maintenance, and predictive maintenance technologies. When undertaking projects, we will actively achieve green sustainability goals and fulfill our corporate environmental and social responsibilities.

III. Influence of External Competition, Legal and Regulatory Environment, and Macroeconomic Situation

(I) External competition

There is increasing competition in the construction market and the cost of materials and wages continues to soar. The Company has been constantly strengthening the integration of the supply chain, and has established steady collaborative relations with our collaborators, and has enhanced project management efficiency to effectively lower the costs. At the same time, by providing customers with process optimization and smart manufacturing production line planning, we help customers to achieve the goal of net zero carbon emission and a circular economy. Thereby reducing customers' operational risks and costs, enhancing the Company's innovative value, differentiating ourselves from competitors, increasing chances of winning bids, and increasing project profitability.

(II) Regulatory environment

In terms of the regulatory environment, the Company not only abides by the laws and regulations of the

government and the requirements of the competent authorities, but is also committed to the promotion of ESG (environmental, social and corporate governance principles) for corporate sustainable development. The Company has established a Corporate Sustainable Development Committee and has in 2024 completed the ISO 14064 greenhouse gas emission verification, and we expect to officially publish the 2024 Corporate Sustainability Report this year. In the future, we look forward to bringing energy saving and carbon reduction benefits to customers and achieving the carbon neutrality goal through the provision of green engineering services, in order to lead the Company in actively contributing to environmental protection and caring for the planet.

(III) Macroeconomic Situation

In terms of the overall business environment, driven by the continued demand for emerging technologies such as AI, semiconductor giants and related supply chains will continue to expand their investments, which will simultaneously propel the petrochemical industry towards high-value development. Therefore, the long-term industry outlook remains cautiously optimistic. Our company, through years of continuous dedication to business diversification, improvement and innovation in system integration technologies, and solid efforts in core industries, has built a strong foundation. Despite the global economic slowdown, our company's performance and profitability remain strong, thanks to the efforts of all our colleagues, and we are well-positioned to navigate the uncertainties of the global economy in the future.

IV. Conclusion

The global economy is currently unstable due to factors such as global inflation, the China-US trade war, and geopolitical tensions. Additionally, policies addressing global climate change and the net-zero carbon emissions target will inevitably increase business costs and risks in the future. To mitigate the impact of industry downturns and sluggish market conditions on company operations, businesses must diversify. Therefore, our company has long been committed to a strategy of diversification across industries and technical expertise. We have adopted vertical division of labor, horizontal integration, and a multi-talented workforce development approach, focusing on long-term market strategies and adjusting our direction in response to economic cycles. We aim to build diversified, cross-industry technical capabilities to adapt to the technological advancements and economic fluctuations of the future. Although the overall economy currently carries certain risks, our business is still expected to achieve steady growth. Moreover, ESG (Environmental, Social, and Governance) is now seen as a new opportunity to strengthen corporate competitiveness and enhance corporate value. In addition to offering customers green sustainable engineering services and solutions for smart factories, smart buildings, and smart healthcare, we play a supporting role in corporate sustainable development. We are also committed to optimizing employee experience, building a diverse and inclusive workplace, nurturing industry talent, and caring for vulnerable groups to create shared value for society. By integrating corporate social responsibility, sustainable thinking, and business development strategies, we are moving towards a sustainable vision. Our entire team will continue to work hard to create better results, giving back to our shareholders and society, and laying a solid competitive foundation.

Best of luck to you all

KING POLYTECHNIC ENGINEERING CO., LTD.

Chairman, Hong Chien-Fong

Manager, Chang Ming-Chan

Accounting Supervisor, Hsu Chin-Pi

Two. Corporate Governance Report

II. Information on Directors, President, Vice Presidents, Assistant Vice Presidents, and heads of various departments and branches

(I). 1. Information on directors

April 22, 2024

Job title (Note I)	Nationality or place of registration	Name	Gender and Age (Note II)	Date elected	Term of office	Date of initial election (Note III)	Shares Held at the Time of Election		Current holdings		Spouse, minor children Current holdings		Shareholding by nominee arrangement		Main experience/education (Note IV)	Positions held concurrently in the Company and other companies	Spouse or relatives within the second degree of kinship who are other managerial officers, directors of the Company			Remarks (Note V)
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Job title	Name	Relations	
Chairman	Taiwan (R.O.C.)	Hong Chien-Fong	Male 41-50	2022.6.24	3 years	2013.6.24	623,857	0.88%	688,195	0.88%	0	0	0	0	B.S. Computer Science and Engineering, Yuan Ze University MBA, Claremont Graduate University	Chairman and Vice President of King Polytechnic Engineering Co., Ltd. Corporate Director and Chairman, and President, Reliant Real Estate Development Co., Ltd. Director, Taiwan Benefit Company Corporate director of Taiwan Benefit (Suzhou) Co., Ltd. Corporate director, Taiwan Benefit Autotech (Suzhou) Co., Ltd.	Director	Jenn- Pan Horng	Father and son	
																	Director	Chee- Lee Lai	Uncle and nephew	
Corporate director	Taiwan (R.O.C.)	Chuan Lun Holding Co. Ltd.		2022.6.24	3 years	1998.8.5	2,383,560	3.37%	2,517,203	3.22%	0	0	0	0	None	Corporate Director of Ve Wong Corporation Corporate Director of Evergreen Leasing Corporation Corporate Director of Taichi Enterprise Co., Ltd. Corporate Director of Joy Medical Devices Corporation Corporate Director of King Polytechnic Engineering Co., Ltd. Corporate Director of Taiwan Benefit Company	None	None	None	
	Taiwan (R.O.C.)	Judicial Person: Chee- Lee Lai	Male 71-80	2022.6.24	3 years	1998.8.5	0	0.00%	0	0	765,343	0.98%	0	0	Master of University of Minnesota Chairman of Taiwan Kawasaki Shipping Group	Chairman and President of Chuan Lun Holding Co. Ltd. Director, Evergreen Leasing Corporation Chairman of Taiwan Kawasaki Co., Ltd. Chairman of Taichi Enterprise Co., Ltd. Chairman, Joy Medical Devices Corporation Director, Ve Wong Corporation	None	None	None	
Corporate director	Taiwan (R.O.C.)	Neptune Investment Co., Ltd.		2022.6.24	3 years	2022.6.24	1,400,950	1.98%	1,545,429	1.98%	0	0	0	0						
	Taiwan (R.O.C.)	Representative: Shu-Hua Chang	Male 51-60	2022.6.24	3 years	2022.6.24	0	0.00%	0	0	0	0	0	0	Department of Mechanical Engineering, Xinpu Institute of Technology Director, Sunny Bank Ltd.	Director, Sunny Bank Ltd. Chairman of Jin Chen Investment Co., Ltd. Chairman of Kuang Chi Culture Co., Ltd. Chairman of HAI WONG PRINTING CO., LTD. Responsible person of Li Kun Investment Co., Ltd.				
Director	Taiwan (R.O.C.)	Jenn-Pan Horng	Male 71-80	2022.6.24	3 years	1998.8.5	2,671,560	3.77%	2,947,077	3.77%	879,5702	1.13%	0	0	Master of Chemical Engineering, National Taiwan University Chairman of King Polytechnic Engineering Co., Ltd. Chairman, Taiwan Benefit Company Supervisor, ITEQ Corporation Supervisor, BIOTEQUE Corporation	Director and Group President, King Polytechnic Engineering Co., Ltd. Chairman, Taiwan Benefit Company Corporate Director and Chairman, Taiwan Benefit Autotech (Suzhou) Co., Ltd. Chairman, KPEC International Investment & Development Corp. Corporate Director, Taiwan Benefit Technology(SAMOA)Corp Corporate Director, PT. Taiwan Benefit Indonesia Corporate Director, Reliant Real Estate Development Co., Ltd. Corporate Director, King Polytechnic (Texas) Corporation	Director	Chee- Lee Lai	Brother- in-law	
																	Chairman	Hong Chien- Fong	Father and son	

Job title (Note I)	Nationality or place of registration	Name	Gender and Age (Note II)	Date elected	Term of office	Date of initial election (Note III)	Shares Held at the Time of Election		Current holdings		Spouse, minor children Current holdings		Shareholding by nominee arrangement		Main experience/education (Note IV)	Positions held concurrently in the Company and other companies	Spouse or relatives within the second degree of kinship who are other managerial officers, directors of the Company			Remarks (Note V)
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Job title	Name	Relations	
Director	Taiwan (R.O.C.)	Chang, Pang-Yen	Male 81-90	2022.6.24	3 years	2007.6.21	586,095	0.83%	646,537	0.83%	0	0	0	0	Department of Pharmacy, National Taipei Medical University Chairman of Polypon Consulting Co., Ltd.	Director of Polypon Consulting Co., Ltd. Director, BIOTEQUE Corporation	None	None	None	
Director	Taiwan (R.O.C.)	Chang Ming-Chan	Male 61-70	2022.6.24	3 years	2016.6.27	193,995	0.27%	106,909	0.14%	0	0	0	0	Department of Resource Engineering, United Engineering Institute MBA, Chaoyang University of Technology Assistant Vice President of Kang Chuan Engineering Co., Ltd.	Vice Chairman and President of King Polytechnic Engineering Co., Ltd. Corporate Director of Reliant Real Estate Development Co., Ltd. Corporate Director and Responsible Person of King Polytechnic (Texas) Corporation	None	None	None	
Independent Director	Taiwan (R.O.C.)	Hui-You Hsu	Male 71-80	2022.6.24	3 years	2013.6.24	11,243	0.02%	12,401	0.02%	0	0	0	0	Doctoral Degree in Law, National Chengchi University Director-General of the National Security Agency Director-General, Coast Guard Administration, Executive Yuan Vice Chairman and Secretary-General of The Straits Exchange Foundation Judge, Taipei District Court	Independent director of SONG HO INDUSTRIAL CO., LTD. Director, Kung Long Batteries Industrial Co., Ltd. Head of Shifang Law Office Adjunct Associate Professor, Central Police University	None	None	None	
Independent Director	Taiwan (R.O.C.)	Jung-Hui Liang	Male 61-70	2022.6.24	3 years	2022.6.24	0	0.00%	0	0.00%	0	0	0	0	PhD., School of Management, National Taiwan University of Science and Technology General Manager and Chairman of Taoyuan Aerotropolis Co., Ltd President of Kainan University President of Chungyu Institute of Science and Technology Director and Research Fellow of Taiwan Research Institute Deputy Director and Research fellow of Taiwan Institute of Economics Research Dean of Business School of Chien Hsin University of Science and Technology Director of First Financial Holding Co. Ltd. Independent Director of Taiyen Biotech Co., Ltd. Director of Jin ding Securities Co., Ltd. Director of Taiwan Sugar Corporation	Supervisor, Jinwen University of Science and Technology Independent Director, Formosa Optical Technology Co.,Ltd.	None	None	None	
Independent Director	Taiwan (R.O.C.)	Mao-Sheng Liang	Male 71-80	2022.6.24	3 years	2022.6.24	0	0.00%	0	0.00%	0	0	0	0	Bachelor, Department of Chemical Engineering, National Taiwan University Vice Chairman of Taiwan Printed Circuit Association (TPCA) Vice Chairman, Taiwan Electronic Equipment Industry Association (TEEIA) Vice Chairman, Taiwan Display Union Association (TDUA) Supervisor of Association for Taiwan-Japan Cooperation on Industrial Technology (TJCIT)	Chairman and CEO of C SUN MFG LTD.	None	None	None	

Note 1: For the corporate shareholders, the name and the representatives of the corporate shareholders shall be listed separately (the name of the corporate shareholder shall be indicated for the representative of the corporate shareholder), and the following table 1 shall be completed.

Note 2: Please state the actual age. It may be expressed in intervals, such as 41-50 years old or 51-60 years old.

Note 3: Fill in the time when first serving as a director of the company. If there is any interruption, please explain in a note.

Note 4: For the experience related to the current position, such as working in an auditing accounting firm or a related enterprise during the aforementioned period, the job title and responsibilities shall be specified.

Note 5: If the Chairman and the President or someone with an equivalent position (the highest-ranking manager) are the same person, spouse, or relative of the first degree of kinship, the reason, legitimacy, necessity, and countermeasures must be explained (e.g. adding the number of independent directors) and more than half of the directors are not employees or managers concurrently).

2. Major shareholders of corporate shareholders

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Name of institutional shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)
Chuan Lun Investment Co., Ltd.	Chee-Lee Lai (30%), Bi-Chuan Chen (22.25%), Chieh-Lun Lai (24%), Hsiao-Lun Lai (17.52%), Pei-Yu Chiang (5.74%), Hsin-Chien Lai (0.49%)
Neptune Investment Co., Ltd.	Wan-Ling Chang (20%), Kun-Shan Chang (9%), Hsiu-Mei Chang Chen (11%), Shu-Ming Chang (20%), Wan-Ching Chang (20%), Shu-Hua Chang (20%)

Note 1: If a director is a representative of a corporate shareholder, the name of the corporate shareholder shall be filled in.

Note 2: Fill in the names of the major shareholders of the juristic person (whose shareholding ratio falls in the top ten) and their shareholding ratios. If its major shareholder is a juristic person, please complete the following table.

Note 3: If the institutional shareholder is not a company organizer, the aforementioned name of the shareholder and shareholding ratio that shall be disclosed is the name of the investor or donor and the capital contribution or donation ratio. Not applicable.

3. Major shareholders of corporate shareholder: Not applicable.

4. Disclosure of the information on directors' professional qualifications and independence.

Criteria Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies where the individual serves as an independent director concurrently
Jenn-Pan Horng	Master of Chemical Engineering, National Taiwan University, currently Director and Group President of King Polytechnic Engineering Co., Ltd., Chairman, Taiwan Benefit Company, Corporate Director and Chairman, Taiwan Benefit (Suzhou) Co., Ltd., Corporate director, Taiwan Benefit Autotech (Suzhou) Co., Ltd., Corporate Director, Hong Siang Construction Development Co., Ltd., Corporate Director, Taiwan Benefit Technology (SAMOA) Corp., Supervisor, BIOTEQUE Corporation, Corporate Director of RELIANT REAL ESTATE DEVELOPMENT CO., LTD., Corporate Director, King Polytechnic (Texas) Corporation. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations, and is not under any of the circumstances specified in Article 30 of the Company Act.	Not applicable for non-independent directors.	None
Representative of Chuan Lun Investment: Chee-Lee Lai	Master's degree from the University of Minnesota, USA. Currently, he is the Chairman and President of Chuan Lun Holding Co. Ltd.; Director, Evergreen Leasing Corporation; Chairman of Taiwan Kawasaki Co., Ltd.; Chairman of Taiwan Chih Enterprise Co., Ltd.; Chairman of Joy Medical Devices Corporation, Director of Ve Wong Corporation and a Chairman of Chieh Tai Biomedical Co., Ltd.. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations, and is not under any of the circumstances specified in Article 30 of the Company Act.	Not applicable for non-independent directors.	None
Hong Chien-Fong	MBA of Claremont College of Management, USA. Currently, he is Chairman and Vice President of Operations of KING POLYTECHNIC ENGINEERING CO., LTD. Director, TAIWAN BENEFIT COMPANY, Corporate Director of HONG SIANG CONSTRUCTION CO., LTD., Corporate Director and Chairman and President of RELIANT REAL ESTATE DEVELOPMENT CO., LTD., Corporate Director of Taiwan Benefit (Suzhou) Co., Ltd., Corporate Director of Taiwan Benefit Autotech (Suzhou) Co., Ltd., Corporate Director of LNT TECHNOLOGY CO., LTD.. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations, and is not under any of the circumstances specified in Article 30 of the Company Act.	Not applicable for non-independent directors.	None
Representative of Neptune Investment: Shu-Hua Chang	Department of Mechanical Engineering, Xipu Institute of Technology, and currently, Director of SUNNY BANK, Responsible Person of Jinchun Investment Co., Ltd. and Responsible Person of Wisest Cultural Co., Ltd. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations, and is not under any of the circumstances specified in Article 30 of the Company Act.	Not applicable for non-independent directors.	None
Chang, Pang-Yen	Graduated from National Taipei Medical University, Department of Pharmacy, previously served as Chairman of Pu Li Pang Consulting Co., Ltd., and is currently a Director of Pu Li Pang Consulting Co., Ltd. and a director of BIOTEQUE CORPORATION. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations, and is not under any of the circumstances specified in Article 30 of the Company Act.	Not applicable for non-independent directors.	None
Chang Ming-Chan	Master of Business Administration, Chaoyang University of Technology, previously served as the Assistant Vice President of KANG CHUAN ENGINEERING CO., LTD., and is now the Vice Chairman and President of KING POLYTECHNIC ENGINEERING CO., LTD., Corporate Director and Chairman and President of Hong Siang Construction Development Co., Ltd., Corporate Director of RELIANT REAL ESTATE DEVELOPMENT CO., LTD., Corporate Director and Responsible Person of King Polytechnic (Texas) Corporation. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations, and is not under any of the circumstances specified in Article 30 of the Company Act.	Not applicable for non-independent directors.	None

Criteria Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies where the individual serves as an independent director concurrently
Hui-You Hsu	PhD degree in Law from National Chengchi University. He has previously served as the Director-General of National Security Bureau, Director-General of Coastal Guard Administration, Executive Yuan, Vice Chairman and Secretary-General of Taiwan Straits Exchange Foundation, and Judge of Taipei District Court. Currently, he is the head of Shifang Law Office, Independent Director of Song Ho Industrial Co., Ltd., Director of Kung Long Batteries Industrial Co., Ltd., and adjunct associate professor of Central Police University. He has backgrounds as a judge, prosecutor, lawyer, accountant, or any other professional and technical personnel that has passed the national examination required by the Company's business and has received certifications, and has the work experience required for commerce, legal affairs, finance, accounting, or corporate operations. He is not under any of the circumstances specified in Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. The director/supervisor, his/her spouse, or relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or any of the Company's affiliated companies. 2. Please refer to page 8 for details regarding my shareholding in the Company. 3. His/her spouse, and relatives within the second degree of kinship neither own any shares of the Company under their own names nor in the names of others. 4. The director/supervisor is not a director, supervisor, or employee of a company specifically related to the Company. 5. The director does not have any business, legal, financial or accounting service provided to the Company or any of its affiliated companies in the last 2 years for any reward. 	1
Jung-Hui Liang	PhD in Management, National Taiwan University of Science and Technology (NTUST). Formerly, Chairman and President of Taoyuan Aerotropolis Co., Ltd., President of Kainan University, President of Chungyu Institute of Science and Technology, Director of the Division III of Taiwan Comprehensive Research Institute, Deputy Director of Taiwan Institute of Economic Research, Dean of the School of Business of Ching Yun University, Director of the First Financial Holding, Independent Director of Taiyen Biotech Co.,Ltd., Director of TAIWAN INTERNATIONAL SECURITIES CO.,LTD., and Director of Taiwan Sugar Corporation. Currently, Supervisor of Jinwen University of Science and Technology, Adjunct Professor of Department of Finance and Economics, Chinese Culture University, and Independent Director of FORMOSA OPTICAL TECHNOLOGY CO.,LTD. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations, and is not under any of the circumstances specified in Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. The director/supervisor, his/her spouse, or relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or any of the Company's affiliated companies. 2. His/her spouse, and relatives within the second degree of kinship neither own any shares of the Company under their own names nor in the names of others. 3. The director/supervisor is not a director, supervisor, or employee of a company specifically related to the Company. 4. The director does not have any business, legal, financial or accounting service provided to the Company or any of its affiliated companies in the last 2 years for any reward. 	1
Mao-Sheng Liang	Bachelor, Department of Chemical Engineering, National Taiwan University, formerly Vice Chairman of Taiwan Printed Circuit Association (TPCA), Vice Chairman of Taiwan Electronic Equipment Industry Association (TEEIA), Vice Chairman, Taiwan Display Union Association (TDUA), Supervisor of Association for Taiwan-Japan Cooperation on Industrial Technology (TJCIT). Currently, Chairman and CEO of C SUN MFG. LTD. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations, and is not under any of the circumstances specified in Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. The director/supervisor, his/her spouse, or relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or any of the Company's affiliated companies. 2. His/her spouse, and relatives within the second degree of kinship neither own any shares of the Company under their own names nor in the names of others. 3. The director/supervisor is not a director, supervisor, or employee of a company specifically related to the Company. 4. The director does not have any business, legal, financial or accounting service provided to the Company or any of its affiliated companies in the last 2 years for any reward. 	None

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of individual directors. If he/she is a member of the Audit Committee with accounting or financial expertise, please specify the accounting or financial background and work experience. State whether he/she is under any of the circumstances specified in Article 30 of the Company Act.

Note 2: Specify if the independent director meets the criteria for independence, including but not limited to whether the individual and spouse or relatives within the second degree of kinship thereof are serving as directors, supervisors, or employees of the Company or its affiliates; the number of the Company's shares held by the individual or spouse or relatives within the second degree of kinship thereof (or by nominee arrangement) and percentage; whether the individual is serving as a director, supervisor, or employee of a company with specific relations with the Company (refer to Article 3, Paragraph 1, Subparagraphs 5~8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of remuneration received for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the last two years.

4.1 Diversity and independence of the Board of Directors:

- (I) Diversity of the Board of Directors: The current Board of Directors consists of nine members. The Company advocates a board diversity policy to enhance corporate governance and promote the sound development of the composition and structure of the Board. Board members possess diverse and complementary capabilities across various industries, with each member bringing industry experience and relevant expertise, as well as business judgment, management, leadership, decision-making, and crisis management capabilities. The Company has established the “Procedures for the Election of Directors” and adopts a “Candidate Nomination System.” All director candidates are nominated and evaluated by the Nomination Committee, approved by the Board of Directors, and then submitted to the shareholders’ meeting for election. Article 20 of the Company's "Corporate Governance Best Practice Principles" stipulates the following skills that the Board of Directors shall have: 1. Business judgment, 2. Accounting and financial analysis, 3. Operational management, 4. Crisis handling, 5. Industry knowledge, 6. International market outlook, 7. Leadership, 8. Strategic decisions.
- (II) Independence of the Board of Directors: There are 9 directors in the Board of Directors, among which, 3 are independent directors accounting for more than one-third of the board. The independent directors (including but not limited to themselves, their spouses, and relatives within two degree of kinship) have not held positions as the Company's directors, supervisors, or employees and do not hold shares of the Company, nor do they provide commercial, legal, financial, or accounting services to the Company or its affiliated companies. The Directors also meet the requirements of Paragraph 3 and Paragraph 4 of Article 26-3 of the Securities and Exchange Act. In addition, the Company has obtained a written statement from each independent director confirming their independence from the Company (including but not limited to themselves, spouses, and relatives within the second degree of kinship). The Company believes that the independence of directors must be judged on the basis of substantive circumstances, and will continue to evaluate the independence of directors, taking into account all relevant factors, including: Whether the relevant director can continue to raise constructive questions for the management and other directors, and express opinions independently of the management or other directors, and whether their words and deeds inside and outside the board of directors are appropriate. The behaviors of the Company's independent directors meet expectations under appropriate circumstances and exhibit the above characteristics. After considering all the circumstances described in this section, the Company believes that all independent directors are independent from the Company. The biographies of all Directors, including the relationship between the members, are shown on page 17.
- (III) Specific Management Objectives: The Board of Directors listens to reports from the management team during board meetings, provides guidance and advice, and maintains effective communication with the management team to jointly create the greatest benefit for shareholders. The Company also emphasizes gender equality in the composition of the Board. Currently, all nine directors are male, accounting for 100% of the Board. On March 10, 2025, the Board nominated one female independent director candidate. The entire 16th Board of Directors will be re-elected at the 2025 Annual General Shareholders’ Meeting, at which time the proportion of female directors on the Board will be 11%.

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Position	Name	Age	Gender	Employee	Includes spouse or relatives within the second degree of consanguinity	Professional Knowledge, Skills, and Experience					
						Business	Chemical Industry / Electrical and Mechanical Industry	Industry Experience	Legal	Finance & Accounting	ESG
Chairman	Hong Chien-Fong	42	Male	V	V	V		V		V	V
Director	Jenn-Pan Horng	77	Male		V	V	V	V		V	V
Director	Chang Ming-Chan	67	Male	V		V	V	V		V	V
Director	Chee-Lee Lai	77	Male		V	V		V		V	V
Director	Chang, Pang-Yen	82	Male			V		V		V	V
Director	Shu-Hua Chang	54	Male			V		V		V	V
Independent Director	Hui-You Hsu	72	Male			V		V	V	V	V
Independent Director	Jung-Hui Liang	69	Male			V		V		V	V
Independent Director	Mao-Sheng Liang	77	Male			V	V	V		V	V

5. Continuing education of directors

Title	Name	Date of continuing education	Organizer	Course title
Representative of a Corporate Director	Chee-Lee Lai	2024/11/04	Taiwan Corporate Governance Association	The Key to Corporate Sustainability: External Innovation
		2024/05/06	Taiwan Corporate Governance Association	Applications of AI, Law, and Audit
Independent Director	Mao-Sheng Liang	2024/11/04	Taiwan Corporate Governance Association	The Key to Corporate Sustainability: External Innovation
		2024/05/06	Taiwan Corporate Governance Association	Applications of AI, Law, and Audit
Director	Hong Chien-Fong	2024/11/04	Taiwan Corporate Governance Association	The Key to Corporate Sustainability: External Innovation
		2024/05/06	Taiwan Corporate Governance Association	Applications of AI, Law, and Audit
Director	Chang, Pang-Yen	2024/11/04	Taiwan Corporate Governance Association	The Key to Corporate Sustainability: External Innovation
		2024/05/06	Taiwan Corporate Governance Association	Applications of AI, Law, and Audit
Independent Director	Hui-You Hsu	2024/11/04	Taiwan Corporate Governance Association	The Key to Corporate Sustainability: External Innovation
		2024/05/06	Taiwan Corporate Governance Association	Applications of AI, Law, and Audit
Director	Jenn-Pan Horng	2024/11/04	Taiwan Corporate Governance Association	The Key to Corporate Sustainability: External Innovation
		2024/05/06	Taiwan Corporate Governance Association	Applications of AI, Law, and Audit
Independent Director	Jung-Hui Liang	2024/11/04	Taiwan Corporate Governance Association	The Key to Corporate Sustainability: External Innovation
		2024/05/30	Taiwan Corporate Governance Association	How Can Enterprises Balance Digital Transformation with Intelligent Security Risks to Create a Win-Win-Win Outcome?
		2024/05/30	Taiwan Corporate Governance Association	How Should Taiwanese Companies Adapt in the Post-Pandemic Era?
		2024/05/06	Taiwan Corporate Governance Association	Applications of AI, Law, and Audit
Director	Chang Ming-Chan	2024/11/04	Taiwan Corporate Governance Association	The Key to Corporate Sustainability: External Innovation
		2024/05/06	Taiwan Corporate Governance Association	Applications of AI, Law, and Audit
Representative of a Corporate Director	Shu-Hua Chang	2024/11/04	Taiwan Corporate Governance Association	The Key to Corporate Sustainability: External Innovation
		2024/05/06	Taiwan Corporate Governance Association	Applications of AI, Law, and Audit

(II) Information of the President, Vice Presidents, Assistant Vice Presidents, and heads of various departments and branches

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Unit: Shares

Title	Nationality	Name	Gender	Date elected	Shareholding		Spouse, minor Shares held by children		Shares held in the names of others Shareholding		Major education and experience	Currently concurrently serving in other companies	Spouse or relatives within second degree of kinship who are other managers of the Company		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relations
Chairman and Vice President of Operations	Taiwan (R.O.C.)	Hong Chien-Fong	Male	2022.06	688,195	0.88%	0	0	0	0	B.S. Computer Science and Engineering, Yuan Ze University MBA, Claremont Graduate University	Corporate Director, Hong Siang Construction Development Co., Ltd. Corporate Director and Chairman, and President, Reliant Real Estate Development Co., Ltd. Director, Taiwan Benefit Company Corporate director of Taiwan Benefit (Suzhou) Co., Ltd. Corporate director, Taiwan Benefit Autotech (Suzhou) Co., Ltd. Corporate director, LNT TECHNOLOGY CO., LTD.	None	None	None
President	Taiwan (R.O.C.)	Chang Ming-Chan	Male	2016.06	106,909	0.14%	0	0	0	0	Department of Resource Engineering, United Engineering Institute MBA, Chaoyang University of Chaoyang University of Technology Assistant Vice President of Kang Chuan Engineering Co., Ltd.	Corporate Director and Chairman and President of Hong Siang Construction Development Co., Ltd. Corporate Director of Reliant Real Estate Development Co., Ltd. Corporate Director and Responsible Person, King Polytechnic (Texas) Corporation	None	None	None
2nd Engineering & Business Group Vice President	Taiwan (R.O.C.)	Chun-Hsien Kao	Male	2001.07	0	0	0	0	0	0	Department of Agricultural Machinery, Pingtung College of Agricultural Science and Technology Pipeline design engineer, Fu-Tai Engineering Co., Ltd. Engineer of FORMOSA CHEMICALS & FIBRE CORPORATION	None	None	None	None
2nd Engineering & Business Group President's Office	Taiwan (R.O.C.)	Yung-Hsi Chen	Male	2014.04	0	0	1,348	0	0	0	Department of Electrical Engineering, National Taipei University of Technology Deputy Factory Affairs Manager, CMC MAGNETICS CORPORATION	None	None	None	None
2nd Business Group Associate General Manager,	Taiwan (R.O.C.)	Lien-Tsai Kuo	Male	2024.08	0	0	0	0	0	0	Department of Mechanical Engineering, Tungnan University General Manager, Ji Fa Electrical and Plumbing Engineering Co., Ltd.	None	None	None	None
Head of 1st Engineering & Business Group and Assistant Vice President of Project Department	Taiwan (R.O.C.)	Cheng-Chuan Lu	Male	2016.01	0	0	0	0	0	0	Department of Chemical Engineering, Feng Chia University EMBA, National Taiwan Normal University Project Manager, Chihsin Technology Co., Ltd. Liquefied Gas Assistant Manager, Tung Ting Gas Corp. Engineering Engineer, CTCI CORPORATION	None	None	None	None
1st Engineering & Business Group Assistant Vice President of Project Dept.	Taiwan (R.O.C.)	Ping-Ching Huang	Male	2024.02	0	0	0	0	0	0	Department of Mechanical Engineering, National Taiwan University of Science and Technology Construction Supervision Manager / Construction Site Superintendent, Hongping Construction Co., Ltd. (Class A Constructor)	None	None	None	None
1st Business Group Associate General Manager, Engineering Design Department	Taiwan (R.O.C.)	Chi-Tseng Tseng	Male	2024.08	0	0	0	0	0	0	Department of Naval Architecture, National Taiwan Ocean University Associate General Manager, Engineering Technology Department, Kang Chuan Engineering Co., Ltd.	None	None	None	None
Assistant Vice President of Sales Department	Taiwan (R.O.C.)	Chun-Hung Lee	Male	2023.04	0	0	0	0	0	0	Department of Industrial Management, Chung Hua University Department of Business Administration, East China University of Science and Technology, Shanghai Special Assistant to President of Micropac Precision Technology Co., Ltd.	None	None	None	None
Senior Vice President of General Administration Division and Chief Financial Officer and Head of Accounting	Taiwan (R.O.C.)	Chin-Pi Hsu	Female	2001.07	39,959	0.05%	0	0	0	0	MBA, University of Wisconsin Vice President of Finance and Accounting, TAIWAN BENEFIT COMPANY Finance and Accounting Manager, TAIWAN DEVELOPMENT CO., LTD.	Corporate Director, King Polytechnic (Texas) Corporation Supervisor, Hong Siang Construction/Reliant Real Estate Development Co., Ltd. Senior Vice President of Finance and Accounting Dept., TAIWAN BENEFIT COMPANY Corporate director of Taiwan Benefit (Suzhou) Co., Ltd. Corporate director, Taiwan Benefit Autotech (Suzhou) Co., Ltd.	None	None	None
Assistant Vice President of Procurement Dept.	Taiwan (R.O.C.)	Hsien-Chao Chang	Male	2019.07	0	0	0	0	0	0	Department of Shipbuilding, National Taiwan Ocean University Purchasing Manager, General Administration Division, Formosa Plastic Group Deputy Division Chief, CONTRACT RESOURCES (TAIWAN) CO., LTD.	None	None	None	None

(III) Remuneration to Directors, President and Vice Presidents

(1) Remuneration to general directors and independent directors

Unit: New Taiwan Dollars

Job title	Name	Remuneration to directors								Sum of A, B, C, and D as a % of the net income after tax		Remuneration received for serving as an employee concurrently								Sum of A, B, C, D, E, F, and G and as a % of the net income after tax		Is there remuneration from investors other than subsidiaries or from the parent company
		Base remuneration (A)		Severance and pension (B)		Remuneration to directors (C)		Business execution expenses (D)				Remuneration, bonus, and allowance (E)		Severance and pension (F)		Employee remuneration (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company (%)	All companies in the financial statements (%)	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company (%)	All companies in the financial statements (%)	
Cash amount	Stock amount															Cash amount	Stock amount					
Director and Group President	Jenn-Pan Horng	-	-	-	-	1,059,185	1,059,185	15,000	15,000	1,074,185 0.31%	1,074,185 0.31%	4,051,446	4,051,446	-	-	1,607,024	-	1,607,024	-	6,732,655 1.96%	6,732,655 1.96%	None
Chairman and Vice President of Operations	Hong Chien-Fong	-	-	-	-	1,059,185	1,059,185	15,000	15,000	1,074,185 0.31%	1,074,185 0.31%	3,697,083	3,697,083	-	-	1,252,057	-	1,252,057	-	6,023,325 1.75%	6,023,325 1.75%	None
Director-cum-President	Chang Ming-Chan	-	-	-	-	1,059,185	1,059,185	15,000	15,000	1,074,185 0.31%	1,074,185 0.31%	10,139,323	10,139,323	-	-	5,357,984	-	5,357,984	-	16,571,492 4.81%	16,571,492 4.81%	None
Corporate director	Chuan Lun Holding Co., Ltd.	-	-	-	-	1,059,185	1,059,185	-	-	1,059,185 0.31%	1,059,185 0.31%	-	-	-	-	-	-	-	-	1,059,185 0.31%	1,059,185 0.31%	None
	Representative: Chee-Lee Lai	-	-	-	-	-	-	15,000	15,000	15,000 0.00%	15,000 0.00%	-	-	-	-	-	-	-	-	15,000 0.00%	15,000 0.00%	None
Corporate director	Neptune Investment Co., Ltd.	-	-	-	-	1,059,185	1,059,185	-	-	1,059,185 0.31%	1,059,185 0.31%	-	-	-	-	-	-	-	-	1,059,185 0.31%	1,059,185 0.31%	None
	Representative: Shu-Hua Chang	-	-	-	-	-	-	15,000	15,000	15,000 0.00%	15,000 0.00%	-	-	-	-	-	-	-	-	15,000 0.00%	15,000 0.00%	None
Director	Chang, Pang-Yen	-	-	-	-	1,059,185	1,059,185	15,000	15,000	1,074,185 0.31%	1,074,185 0.31%	-	-	-	-	-	-	-	-	1,074,185 0.31%	1,074,185 0.31%	None
Independent Director	Hui-You Hsu	360,000	360,000	-	-	1,059,185	1,059,185	95,000	85,000	1,514,185 0.31%	1,514,185 0.31%	-	-	-	-	-	-	-	-	1,514,185 0.31%	1,514,185 0.31%	None
Independent Director	Jung-Hui Liang	360,000	360,000	-	-	1,059,185	1,059,185	95,000	95,000	1,514,185 0.31%	1,514,185 0.31%	-	-	-	-	-	-	-	-	1,514,185 0.31%	1,514,185 0.31%	None
Independent Director	Mao-Sheng Liang	360,000	360,000	-	-	1,059,185	1,059,185	65,000	65,000	1,484,185 0.31%	1,484,185 0.31%	-	-	-	-	-	-	-	-	1,484,185 0.31%	1,484,185 0.31%	None

- Please specify the policy, system, standard and structure of the remuneration for independent directors, and describe the correlation between the remuneration and the amount of remuneration based on the responsibilities, risks, time invested and other factors: None.
- Except as disclosed in the above table, the remuneration received by the Company's directors for providing services to all companies in the financial statements (such as serving as a consultant in a non-employee capacity) in the most recent year: None.
- The Company's net profit after tax audited and attested by CPAs for 2024 was \$344,216,900. On March 10, 2025, the Board of Directors approved cash profit-sharing remuneration to employees of \$38,130,659 and profit-sharing remuneration to directors of \$9,532,665. Once approved by the shareholders' meeting this year, the profit-sharing will be distributed in the second half of 2025.
- The proposed distribution of profit-sharing remuneration to directors and employees for this year is calculated based on the actual distribution ratio of last year.

Remuneration range table

Ranges of remuneration paid to each director of the Company	Name of director			
	Sum of A+B+C+D (Including director remuneration)		Sum of A+B+C+D+E+F+G (Including remuneration to directors and employees, salaries, and bonuses)	
	The Company	All companies in the financial statements	The Company	All companies in the financial statements
Below NT\$1,000,000	0	0	Chi-Li Lai, Shu-Hua Chang	Chi-Li Lai, Shu-Hua Chang
NT\$1,000,000 (inclusive) - NT\$2,000,000	Jenn-Pan Horng and 9 others	Jenn-Pan Horng and 9 others	Chuan Lun Holding, Neptune Investment, Chang, Pang-Yen Hui-You Hsu Jung-Hui Liang Mao-Sheng Liang	Chuan Lun Holding, Neptune Investment, Chang, Pang-Yen Hui-You Hsu Jung-Hui Liang Mao-Sheng Liang
NT\$2,000,000 (inclusive) - NT\$3,500,000	0	0	0	0
NT\$3,500,000 (inclusive) - NT\$5,000,000	0	0	0	0
NT\$5,000,000 (inclusive) - NT\$10,000,000	0	0	Jenn-Pan Horng, Chien-Fong Hong	Jenn-Pan Horng, Chien-Fong Hong
NT\$10,000,000 (inclusive) - NT\$15,000,000	0	0	0	0
NT\$15,000,000 (inclusive) - NT\$30,000,000	0	0	Chang Ming-Chan	Chang Ming-Chan
NT\$30,000,000 (inclusive) - NT\$50,000,000	0	0	0	0
NT\$50,000,000 (inclusive) - NT\$100,000,000	0	0	0	0
Over NT\$100,000,000	0	0	0	0
Total	9	9	11	11

(2) Remuneration to independent directors

Unit: NTD

Title	Name	Remuneration to Independent Directors						Sum of A, B, and C and as a % of the net income after tax		Is there remuneration from investees other than subsidiaries or from the parent company
		Base remuneration (A)		Remuneration (B)		Business execution expenses (C)				
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company (%)	All companies included in the financial statements (%)	
Independent Director	Hui-You Hsu	1,080,000	1,080,000	3,177,555	3,177,555	255,000	255,000	1.31%	1.31%	None
Independent Director	Jung-Hui Liang									
Independent Director	Mao-Sheng Liang									

Remuneration range table

Ranges of remuneration paid to each independent director of the Company	Name of Independent Director	
	Sum of A+B+C	
	The Company	All companies in the financial statements
Below NT\$1,000,000	0	0
NT\$1,000,000 (inclusive) - NT\$2,000,000	Hui-You Hsu, Hsing-Hui Liang, Mao-Sheng Liang	Hui-You Hsu, Hsing-Hui Liang, Mao-Sheng Liang
NT\$2,000,000 (inclusive) - NT\$3,500,000	0	0
NT\$3,500,000 (inclusive) - NT\$5,000,000	0	0
NT\$5,000,000 (inclusive) - NT\$10,000,000	0	0
NT\$10,000,000 (inclusive) - NT\$15,000,000	0	0
NT\$15,000,000 (inclusive) - NT\$30,000,000	0	0
NT\$30,000,000 (inclusive) - NT\$50,000,000	0	0
NT\$50,000,000 (inclusive) - NT\$100,000,000	0	0
Over NT\$100,000,000	0	0
Total	Total of 3 people	Total of 3 people

(3) Remuneration to the President, Vice Presidents, and Assistant Vice President

Unit: In Thousands of New Taiwan Dollars

Job title	Name	Salary (A)		Severance and pension (B)		Bonuses, special allowances (C)		Employee remuneration (D)				Sum of A, B, C, and D and as a % of the net income after tax		Is there remuneration from investees other than subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company (%)	All companies included in the financial statements (%)	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chairman and Operational Vice President	Hong Chien-Fong	19,185	19,185	-	-	16,191	16,861	12,027	-	12,027	-	47,404 13.77%	48,074 13.97%	None
President	Chang Ming-Chan													Yes
Senior Vice President and Head of Accounting, Management Office	Chin-Pi Hsu													None
2nd Engineering & Business Group Vice President	Chun-Hsien Kao													None
1st Engineering & Business Group President's Office	Cheng-Chuan Lu													None
2nd Engineering & Business Group President's Office	Yung-Hsi Chen													None
Assistant Vice President of Procurement Dept.	Hsien-Chao Chang													None
Assistant Vice President of Sales Department	Chun-Hung Lee													None
1st Engineering & Business Group President's Office	Ping-Ching Huang													
1nd Engineering & Business Group President's Office	Chi-Tseng Tseng													
2nd Business Group Associate General Manager	Lien-Tsai Kuo													None

Note 1: The proposed cash profit-sharing remuneration to employees approved by the Board of Directors prior to the shareholders' meeting of the Company's 2024 appropriation of earnings amounted to \$38,130,659.

Note 2: The amount of employee profit-sharing remuneration expressed above is calculated based on the actual distribution ratio of the previous year to come up with the proposed distribution for 2024.

Note 3: The net profit after tax of the Company's parent company only financial statements audited and attested by CPAs for 2024 was \$344,216,900.

Remuneration range table

Range of remuneration paid to the Company's President, Vice Presidents, and Assistant Vice Presidents	Name of President/Vice President	
	The Company	All companies included in the consolidated financial statements
Below NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) - NT\$2,000,000	-	-
NT\$2,000,000 (inclusive) - NT\$2,500,000	Hsien-Chao Chang, Chun-Hung Lee Chi-Tseng Tseng, Lien-Tsai Kuo	Hsien-Chao Chang, Chun-Hung Lee Chi-Tseng Tseng, Lien-Tsai Kuo
NT\$2,500,000 (inclusive) - NT\$3,500,000	Chun-Hsien Kao, Ping-Ching Huang	Chun-Hsien Kao, Ping-Ching Huang
NT\$3,500,000 (inclusive) - NT\$5,000,000	Hong Chien-Fong, Chin-Pi Hsu Cheng-Chuan Lu, Yung-Hsi Chen	Hong Chien-Fong, Chin-Pi Hsu Cheng-Chuan Lu, Yung-Hsi Chen
NT\$5,000,000 (inclusive) - NT\$10,000,000	-	-
NT\$10,000,000 (inclusive) - NT\$15,000,000	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000	Chang Ming-Chan	Chang Ming-Chan
NT\$30,000,000 (inclusive) - NT\$50,000,000	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000	-	-
Over NT\$100,000,000	-	-
Total	11	11

(4) Names of the managers who receive employee remuneration and the distribution status

Unit: In Thousands of New Taiwan Dollars

	Job title	Name	Stock amount	Cash amount	Total	Total as a percentage of net income after tax (%)
Managers	Chairman and Operational Vice President	Hong Chien-Fong	0	12,027	12,027	3.49%
	President	Chang Ming-Chan				
	Vice President	Chun-Hsien Kao				
	Vice President and Head of Accounting	Chin-Pi Hsu				
	Assistant Vice President, Project Business Group 1	Cheng-Chuan Lu				
	Assistant Vice President, Project Business Group 2	Yung-Hsi Chen				
	Assistant Vice President of Procurement Dept.	Hsien-Chao Chang				
	Assistant Vice President of Sales Department	Chun-Hung Lee				
	Assistant Vice President, Project Business Group 1	Ping-Ching Huang				
	Assistant Vice President, Project Business Group 2	Chi-Tseng Tseng				
	Assistant Vice President, Project Business Group 2	Lien-Tsai Kuo				

Note 1: The net profit after tax of the Company's standalone financial statements audited and attested by CPAs for 2024 was \$344,216,900.

Note 2: The Company's proposal for the distribution of surplus or make-up for the loss in 2024 has been approved by the board of directors before the shareholders' meeting to distribute cash profit-sharing remuneration of NT\$38,968,139 to the employees. After the resolution of the shareholders' meeting this year, it will be assessed and distributed according to the individual contributions of all employees.

Note 3: The amount of employee remuneration expressed above is calculated based on the actual distribution ratio of the previous year to come up with the proposed distribution for this year.

- (I) An analysis of the total remuneration paid to the Company's directors, the President, and Vice Presidents by the Company and all companies in the consolidated financial statements as a percentage of the net income after tax in the standalone financial report for the most recent two years, and the remuneration policy, standard, and package, the procedure for determining the remuneration, and the correlation between business performance and future risks.

Year	Total amount of remuneration paid (in thousand dollars)		As a percentage of net income after tax	
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements
2023	45,033	45,790	11.53%	11.72%
2024	47,404	48,074	13.77%	13.97%

The remunerations to the Company's directors, independent directors, President, and Vice Presidents are all paid by the Company. The net income after tax for 2023 and 2024 were NT\$390,708 thousand and NT\$344,216 thousand, respectively. The percentage of remuneration paid to the directors and senior management account for 11.72% and 13.97%, respectively, of the net income after tax. The remuneration to them are mostly for the travel fees for meetings and the earnings distribution each year in addition to receiving allowance. Their remuneration is allocated based on Article 26 of the Company's Articles of Incorporation. The Article states that when there are earnings from the settlement at the end of the fiscal year, it shall be allocated for provisions of reserves according to the relevant regulations, and the distributable earnings shall be allocated by the Board of Directors at 2% for the remuneration of directors and 8% for the employees' in accordance to the Articles of Incorporation. For 2024, the after-tax earnings as concluded by year-end accounting close amounted to \$344,216,900, The Earnings Distribution Statement was approved at the 10th meeting of the 15th Board of Directors and is pending approval by the shareholders' meeting, and the amount of cash profit-sharing remuneration to employees as required is \$38,130,659, and profit-sharing remuneration to directors is \$9,532,665. The remuneration to the President, Vice Presidents, and AVPs includes salaries, year-end bonus, construction bonus, and employee remuneration, and is determined based on his/her position and level of responsibilities with reference to industry level, and it is to be submitted to the Remuneration Committee and the Board of Directors for review.

Employee remuneration, including salaries, bonuses, and employee remuneration, is determined by the Board of Directors based on the salary level of the position in the industry, the scope of power and responsibility of the position in the company, and the employee's contribution to the company's operating goals. The procedures for determining remuneration are in accordance with the Articles of Incorporation and the authority to approve, the payment of remuneration also takes into account the business risks faced by the Company in the future and the positive correlation between them and business performance, in order to achieve a balance between sustainable operation and risk control.

III. Implementation of corporate governance

- (I) The operation of the Board of Directors: The 15th Term of the Board of Directors of the Company convened meetings for 5 times (A) in the most recent year (2024), the attendance or non-voting participation of directors in the Board of Directors and Audit Committee meetings are as follows:

Title	Name	Number of times for the actual attendance (or non-voting participation) B	Attendance by proxy	Actual attendance (or non-voting participation) rate (%) 【 B/A 】	Remarks
Director	Jenn-Pan Horng	5	0	100%	
Chairman	Hong Chien-Fong	5	0	100%	
Director	Chang Ming-Chan	5	0	100%	
Director	Representative of Chuan Lun Investment Co., Ltd.: Chi-Li Lai	5	0	100%	
Director	Chang, Pang-Yen	5	0	100%	
Director	Neptune Investment Co., Ltd. Representative: Shu-Hua Chang	5	0	100%	
Independent Director	Hui-You Hsu	5	0	100%	
Independent Director	Jung-Hui Liang	5	0	100%	
Independent Director	Mao-Sheng Liang	5	0	100%	

Note 1: The re-election of the 15th board of directors was completed at the Shareholders' Annual General Meeting on June 24, 2022, with a term of office from June 24, 2022 to June 23, 2025.

Note 2: The actual attendance (or non-voting participation) rate of directors was calculated based on the number of Board of Directors meetings held during the current term and the number of meetings attended by the directors.

Additional information:

- If the operation of the Board of Directors is under any of the following circumstances, the date, session, motion contents, all independent directors' opinions and the Company's handling of their opinions should be described:
 - Matters listed in Article 14-3 of the Securities and Exchange Act: The company has established an audit committee in accordance with Article 14-5 of the Securities and Exchange Act, therefore, this is not applicable.
 - In addition to the previous matters, other Board meeting resolutions that have been opposed or reserved by independent directors with records or written statements: None.

2. In the implementation of director's recusal due to conflict of interest in a motion, the director's name, the motion contents, reasons for recusal and the director's participation in voting should be stated:

Date of the meeting of the Board of Directors	Session	Director to be recused	Motion contents	Reasons for recusal	Participation in voting
2024/03/12	15th term 10th session	Jenn-Pan Horng Chang Ming-Chan Hong Chien-Fong	Distributions of 2023 profit-sharing remuneration to employees and profit-sharing remuneration to directors	Recusal of directors in accordance with the requirements	Not participating in the discussion and voting
2024/05/06	15th term 11th session	Jenn-Pan Horng Chang Ming-Chan Hong Chien-Fong	Proposal for the adjustments to the salary of managerial officers of the Company for 2023.		
2024/12/16	15th term 14th session	Jenn-Pan Horng Chang Ming-Chan Hong Chien-Fong	Distribution of various bonuses distribution for 2024 by the Company		
2024/12/16	15th term 14th session	Jenn-Pan Horng Chang Ming-Chan Hong Chien-Fong	Election of the Members of the First Nomination Committee of the Company		

3. Execution of the evaluations of the Board of Directors and functional committees.

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Once a year	2024/01/01~ 2024/12/31	Board of Directors	Evaluation of Corporate Governance Officer	1. Participation in the operation of the Company 2. Improvement of the quality of the Board of Directors' decision making 3. Composition and structure of the Board of Directors 4. Election and continuing education of directors 5. Internal control
Once a year	2024/01/01~ 2024/12/31	Remuneration Committee Audit Committee	Evaluation of the convener	1. Participation in the operation of the Company 2. Awareness of the duties of the functional committee 3. Improvement of the quality of the functional committee's decision making 4. Composition and member selection of the functional committee 5. Internal control
Once a year	2024/01/01~ 2024/12/31	Individual director	Self-evaluation of Board member	1. Alignment of the goals and mission of the Company 2. Awareness of the duties of directors 3. Participation in the operation of the Company 4. Internal relationship management and communication 5. Professionalism and continuing education of directors 6. Internal control

4. Evaluation of the objective for enhancing the functions of the Board of Directors and the implementation status during the most recent year and the current year up to the publication date of the annual report.
- (1) In addition to encouraging directors to pursue continuing education on their own, the Company arranges for lecturers to give courses on a regular basis each year to for directors to continuously acquire new knowledge.
 - (2) The Company has established a comprehensive "Rules of Procedure for Board of Directors' Meetings" in accordance with the laws and regulations, and publishes the contents of important resolutions of the Board of Directors' Meetings on the website designated by the competent authorities and the Company's website immediately.
 - (3) The Company's Audit Committee, comprised of all independent directors, performs supervisory duties and reports regularly to the Board of Directors on its operation.
 - (4) In order to strengthen corporate governance, the performance of the Board of Directors and Board members had been evaluated in 2024, and the overall evaluation results ranged from good to excellent.

(II) The operation of the Audit Committee or the participation in the operation of the Board of Directors:

1. Information on the operation of the Audit Committee

The Company's Audit Committee held 5 meetings (A) in the most recent year (2024). The attendance of Audit Committee members is as follows:

Title	Name	Number of times for the actual attendance (or non-voting participation) B	Attendance by proxy	Actual attendance (or non-voting participation) rate (%) 【 B/A 】	Remarks
Audit Committee member	Hui-You Hsu	5	0	100%	None
Audit Committee member	Jung-Hui Liang	5	0	100%	None
Audit Committee member	Mao-Sheng Liang	5	0	100%	None

Additional information:

- (I) If the operation of the Audit Committee is under any of the following circumstances, the date, session, motion contents, the objections, reservations or major recommendations of the independent directors, resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions should be described: °

1. Matters listed in Article 14-5 of the Securities and Exchange Act:

Date of the meeting of the Audit Committee	Session	Motion contents	Major recommendations of the Audit Committee	Resolution of the Audit Committee	The Company's handling of the Audit Committee's opinions
2024/03/12	1st term 7th session	The Company's 2023 standalone and consolidated financial statements.	None	Approved as proposed by all the committee members in attendance	Approved as proposed by all the directors in attendance
		The Company's business report			
		The Company's statement of internal control for 2024			
		Proposal for the General Principles of the Company's Pre-Approval Policy for Non-Assurance Services			
		Evaluation of the independence of attesting CPAs.			
		The Company's 2023 earnings distribution proposal			
2024/05/06	1st term 8th session	The Company's consolidated Financial Statements for 1Q2024			
2024/08/05	1st term 9th session	The Company's consolidated Financial Statements for 2Q2024			
		Ratification of the endorsement and guarantee provided by the Company for subsidiary, Hong Siang Construction Co., Ltd.			
2024/11/04	1st term 10th session	The Company's consolidated Financial Statements for 3Q2024			
		Amendment of the Company's "Audit Committee Charter" to "Audit and Risk Management Committee Charter"			
		Establishment of the Company's "Risk Management Policies and Procedures"			
		Establishment of the Company's "Nomination Committee Charter"			
		Establishment of the Company's "Sustainability Information Management Policies and Procedures" and "Computerized Information System Processing Cycle"			
		Amendment of the Company's "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Operational Procedures and Guidelines"			
		Amendment of the Company's "Procedures for Handling Material Inside Information and Prevention of Insider Trading"			
		The 2025 Internal Audit Annual Audit Plan			
		Establishment of the Company's "Procedures for the Preparation and Assurance of the Sustainability Report"			
		Implementation and Supervision of the Company's Ethical Corporate Management Policy			
2024/12/1	1st term 11th session	Report on the Company's 2024 Risk Management Implementation (Including Information and Cybersecurity Risk Management)			
		Amendment to the Company's "Operating Procedures for Financial and Business Transactions with Group Enterprises, Specific Companies, and Related Parties"			

		Establishment of the Company's "Intellectual Property Management Plan"			
		The Company's 2025 Business Objectives and Budget Report			
		Proposal for the General Principles of the Company's Pre-Approval Policy for Non-Assurance Services			
		Evaluation of the independence of attesting CPAs.			
<p>2. Other than the matters in the preceding paragraphs, resolution not approved by the Audit Committee but approved by two-thirds or more of all directors: None</p> <p>(II) For the implementation of an independent director's recusal due to conflict of interest in a motion, the independent director's name, the motion contents, reasons for recusal and his or her participation in voting should be stated: None</p> <p>(III) Communication among independent directors, chief internal auditor and CPAs (major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included).</p> <ol style="list-style-type: none"> 1. The chief internal auditor shall submit the audit report to the Audit Committee before the end of the following month after the completion of the audit report. The Audit Committee shall express opinions when they sign off on the audit report. 2. The chief internal auditor attends the Board of Directors meetings on a regular basis and gives audit reports. The Audit Committee and directors discuss and exchange opinions on the audit items. 3. CPAs attend the Board of Directors meeting as non-voting participants for in-person communication with the Audit Committee members and directors on the financial status of the company. 					

Note: The actual attendance (or non-voting participation) rate of directors and independent auditors was calculated based on the number of Board of Directors meetings held during the current term and the number of meetings attended by the directors.

(III) Information on the operation of the Remuneration Committee:

1. Information on members of the Remuneration Committee

1. Information on members of the Remuneration Committee				
Title	Criteria	Professional qualifications and experience	Independence status	Number of other public companies where the individual serves as a member of the remuneration committee concurrently
	Name			
Independent Director (Convener)	Hui-You Hsu	Please refer to page 11 for information on the directors' professional qualifications and independence.		1
Director	Jenn-Pan Horng (Non-voting right)	Please refer to page 10 for information on the directors' professional qualifications and independence.		0
Others	Jung-Hui Liang	Please refer to page 11 for information on the directors' professional qualifications and independence.		1
Others	Ming-Chun Lin (Note)	He graduated from National Taiwan University with a law degree and has served successively as Prosecutor of Hsinchu-Taoyuan-Taipei District Prosecutor's Office, Head of Chief Division of Taoyuan District Court, Chief Judge of Taiwan High Court, Independent Director of IBT Securities Co., Ltd., Licensed lawyer of Louis Law Firm; Possesses management skills and other work experience required for the Company's business activities.	<div>1. The director/supervisor, his/her spouse, or relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or any of the Company's affiliated companies.</div> <div>2. The director/supervisor, his/her spouse, and relatives within the second degree of kinship neither own any shares of the Company under their own names nor in the names of others.</div> <div>3. The director/supervisor is not a director, supervisor, or employee of a company specifically related to the Company.</div> <div>4. The director does not have any business, legal, financial or accounting service provided to the Company or any of its affiliated companies in the last 2 years for any reward.</div>	1

2. Information on the operation of the Remuneration Committee

I. There are three members in the Remuneration Committee.

II. The term of office of the current members: June 24, 2022 to June 23, 2025. The Remuneration Committee held 3 meetings in the most recent year(2024), and the qualifications and attendance of members are as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Attendance (%) (B/A)	Remarks
Convener	Hui-You Hsu	3	0	100%	None
Committee member	Ming-Chun Lin	3	0	100%	None
Committee member	Jung-Hui Liang	3	0	100%	None
Non-voting participation	Jenn-Pan Horng	3	0	100%	None

Additional information:

1. Duties of the Remuneration Committee

Members of the Committee shall exercise the care of good administrators, faithfully perform the following functions and powers, be accountable to the Board of Directors, and submit their suggestions to the Board of Directors for discussion: (1) Formulate and regularly review the performance evaluation of directors and managers and the remuneration policies, systems, standards, and structures for them. (2) Periodically evaluate and prescribe the remuneration of directors and executive officers.

2. If the Board of Directors did not adopt or amend the Remuneration Committee's suggestions, the date of the board meeting, the session, the content of the proposal, the results of the resolutions by the Board of Directors, and the Company's response to said opinions shall be specified (if the remuneration approved by the Board of Directors is better than the Remuneration Committee's suggestions, the difference and the reasons therefor shall be specified):

None.

3. For proposals resolved by the Remuneration Committee, if any members expressed objection or reservation with a record or written statement, the date of the Remuneration Committee meeting, the session, the content of the proposal, all members' opinions, and the response to the members' opinions shall be specified: None.

(IV) Information and Operation of the Nomination Committee Members:

To enhance the functions of the Board of Directors and strengthen the management mechanism, the Company resolved at the Board meeting on December 16, 2024 to establish the "Nomination Committee" and adopt the "Organizational Charter of the Nomination Committee." The committee is composed of three directors, including two independent directors.

I. Committee Members Information

Current Position	Name	Committee Role	Expertise
Director	Jenn-Pan Horng	Chairperson	Corporate Governance, Finance ,Engineering, Strategic Planning
Independent Director	Hui-You Hsu	Member	Law, Accounting, Finance ,Corporate Governance
Independent Director	Jung-Hui Liang	Member	Corporate Governance, Finance ,Engineering, Strategic Planning

(V) The operations of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Has the Company formulated and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	◎		Since its inception, the Company has been adhering to the principle of respecting and caring for people with excellent corporate governance systems, transparency in operations, and attention to shareholders' interests. The Corporate Governance Best Practice Principles have been approved by the Board of Directors. The Company was ahead of its industry peers in establishing a comprehensive corporate governance structure and related policies and internal regulations. The entire Board members come with various professional backgrounds and experiences. It is believed that the Company's emphasis on professional management and implementation for its governance philosophy could bring about operations performance. The Company has won numerous awards from the industry and the government at home and abroad.	None
II. The Company's shareholding structure and shareholders' equity				
(I) Has the Company formulated internal operating procedures for handling shareholders' suggestions or questions or disputes and litigation with them and complied with the procedures?	◎		(I) The Company appoints a spokesperson to be responsible for stock affairs in accordance with its internal procedures. The President's Office is responsible to handle shareholders' suggestions and doubts. If there are legal questions, the matter will be transferred to the company's legal consultants according to the procedures.	(I) None
(II) Does the Company have a list of the major shareholders with ultimate control over the Company and a list of the ultimate controllers of the major shareholders?	◎		(II) The Company has a list of the Company's major shareholders and their controllers.	(II) None
(III) Has the Company established and implemented a risk control and a firewall mechanism between itself and affiliates?	◎		(III) The Company has established the "Operational Procedures for Financial and Business Transactions with Group Enterprises, Specific Companies, and Related Parties" and the "Subsidiary Supervision Procedures," and operates in accordance with these regulations, serving as mechanisms for risk control and firewalls. In line with the "Corporate Risk Management Best Practice Principles for TWSE/TPEX Listed Companies," the Company's Board of Directors approved the addition of the "Risk Management Policy and Procedures" on November 4, 2024. To strengthen information and communication security management and corporate governance mechanisms, the Company has formulated comprehensive policies for information security and the protection of confidential information. It continues to implement various cybersecurity measures, including the establishment of firewalls, security equipment, antivirus software, and other systematic security mechanisms, to ensure stable operation of information systems and proper protection of corporate secrets. In December 2022, the Company completed the registration of its "Chief Information Security Officer and Cybersecurity Personnel," thereby enhancing dedicated manpower allocation and reinforcing the implementation of the information security management system. Furthermore, in November 2024, the Company established a "Network and System Backup Mechanism," adopting a geographically distributed approach to build backup environments and equipment, thereby reducing the impact of natural disasters or human factors on critical data and services, and further ensuring the stability of company operations and the transparency of information.	(III) None

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
(IV) Has the Company formulated internal regulations to prohibit insiders from using information undisclosed in the market to buy and sell securities?	◎		<p>During 2023 and 2024, the Company did not experience any major information security incidents, indicating that the overall cybersecurity governance and risk control mechanisms have been effective.</p> <p>(IV) The Company has established the “Procedures for Handling Material Internal Information and Prevention Measures” to regulate all employees and prohibit any conduct that may constitute insider trading. Regular internal education and awareness campaigns are conducted accordingly. In accordance with the internal procedures for handling material information, the General Manager’s Office holds internal education sessions on the prevention of insider trading for the Chairman, President, and department heads during the management meetings every six months. Additionally, a bulletin promoting the prevention of insider trading is issued semi-annually by the General Manager’s Office. In 2024, the Company continued to strengthen its internal education by conducting two rounds of training sessions targeting all employees, department heads, and key management personnel. Currently, announcements and awareness campaigns are the main methods used to reach suppliers and employees. However, Qingbang is proactively planning to incorporate anti-corruption training into the education programs for both suppliers and employees in the future.</p>	(IV) None
III. Composition and responsibilities of the Board of Directors				
(I) Does the Board of Directors have a diversity policy formulated, with specific management goals and guidelines, and their implementation?	◎		(I) The nomination of the Company's directors has gone through a rigorous selection process, which not only considers diverse backgrounds, professional abilities and experiences, but also attaches great importance to their personal reputation for ethical behavior and leadership. There are currently nine members of the Board of Directors of the Company, all of whom have experience in the Company's operational or professional fields. The Company's board members have diverse backgrounds, including different industry, academic, and legal professional backgrounds. The number of independent directors is three.	(I) None
(II) Has the Company voluntarily established other functional committees in addition to the remuneration and the audit committees established in accordance with the law?	◎		(II) The Company has established the Audit and Risk Management Committee and the Remuneration Committee. Additionally, on December 16, 2024, the Board of Directors resolved to establish the Nomination Committee and adopted its organizational regulations. The Nomination Committee is composed of three directors, including two independent directors.	(II) None
(III) Has the Company formulated board performance evaluation regulations and evaluation methods, conducted performance evaluations annually and regularly, reported the results of performance evaluations to the board of directors, and adopted such results as a reference for deciding the remuneration of and nominating candidates for individual directors?	◎		(III) The Company established the “Board Performance Evaluation Procedures” on August 5, 2019, and amended them on March 14, 2022, with approval from the Board of Directors. According to the procedures, internal performance evaluations are conducted annually after the end of each fiscal year through self-assessment questionnaires completed by members of the Board and functional committees. In addition, Article 3 of the procedures stipulates that external performance evaluations shall be conducted at least once every three years.	(III) None

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor																				
	Yes	No	Brief description																					
			The evaluation results serve as a reference for the selection or nomination of directors. The Company completed its internal board performance evaluation for the year 2024 and, in December 2024, appointed the Taiwan Corporate Governance Association to carry out the external performance evaluation.																					
(IV) Does the Company regularly assess the independence of the CPAs?	◎		<div>(IV) The Company conducts an annual evaluation of the independence and competence of its certified public accountants (CPAs) through the Audit and Risk Management Committee, and submits the results to the Board of Directors for approval. The evaluation is based on the "Independence Declaration" provided annually by the signing CPA, and is conducted with reference to the CPA Act, Statement No. 10 of the Code of Professional Ethics for Certified Public Accountants—"Integrity, Objectivity, and Independence"—as well as Audit Quality Indicators (AQIs). Accordingly, the Company has established specific evaluation criteria for CPAs. The most recent assessment was approved by the Board of Directors on December 16, 2024. No violations of independence were identified, and the rotation of signing CPAs was conducted in accordance with applicable regulations.Obtained the "Declaration of Independence of CPA" from CPAs in 2023.</div> <table><tr><th>Evaluation Criteria</th><th>Results</th></tr><tr><td>The signing CPA has no direct or material indirect financial interest in the Company.</td><td>YES</td></tr><tr><td>The signing CPA has no significant close business relationship with the Company.</td><td>YES</td></tr><tr><td>There is no potential employment relationship between the signing CPA and the Company during the audit engagement.</td><td>YES</td></tr><tr><td>The signing CPA has not engaged in any borrowing or lending of funds with the Company.</td><td>YES</td></tr><tr><td>The signing CPA has not accepted any gifts or presents of significant value from the Company or its directors or managers (i.e., gifts exceeding the norms of ordinary social etiquette).</td><td>YES</td></tr><tr><td>The signing CPA has not provided audit services to the Company continuously for seven years.</td><td>YES</td></tr><tr><td>The signing CPA does not hold any shares in the Company.</td><td>YES</td></tr><tr><td>Neither the signing CPA, their spouse or dependents, nor any members of the audit team have served as a director, manager, or held any position with significant influence over the audit engagement in the Company during the audit period or within the past two years, and it is confirmed they will not assume any such roles during the future audit period.</td><td>YES</td></tr><tr><td>The signing CPA complies with the independence requirements set forth in Statement No. 10 of the Code of Professional Ethics for Certified Public Accountants and has submitted an "Independence Declaration."</td><td>YES</td></tr></table>	Evaluation Criteria	Results	The signing CPA has no direct or material indirect financial interest in the Company.	YES	The signing CPA has no significant close business relationship with the Company.	YES	There is no potential employment relationship between the signing CPA and the Company during the audit engagement.	YES	The signing CPA has not engaged in any borrowing or lending of funds with the Company.	YES	The signing CPA has not accepted any gifts or presents of significant value from the Company or its directors or managers (i.e., gifts exceeding the norms of ordinary social etiquette).	YES	The signing CPA has not provided audit services to the Company continuously for seven years.	YES	The signing CPA does not hold any shares in the Company.	YES	Neither the signing CPA, their spouse or dependents, nor any members of the audit team have served as a director, manager, or held any position with significant influence over the audit engagement in the Company during the audit period or within the past two years, and it is confirmed they will not assume any such roles during the future audit period.	YES	The signing CPA complies with the independence requirements set forth in Statement No. 10 of the Code of Professional Ethics for Certified Public Accountants and has submitted an "Independence Declaration."	YES	(IV) None
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Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
IV. Has the Company has appointed an appropriate number of competent corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the materials required for performance of their duties, assisting directors and supervisors with compliance, handling matters related to board meetings and the shareholders' meetings, and preparing minutes of board meetings and shareholders' meetings)?	⊙		The Board of Directors appoints the Chairman to assign the General Management Office and the President's Office to be responsible for the legal affairs and compliance of the Company, and report to the Board of Directors on related corporate governance affairs, including matters related to convening meetings of the Board, Remuneration Committee and shareholders. It is responsible in supporting the inauguration and continuing education of directors; providing directors with the materials needed to execute their duties; assisting directors in complying with laws and regulations.	None
V. Has the Company has established communication channels with stakeholders and set up a section dedicated to stakeholders on the Company's website to properly respond to stakeholders' major CSR issues of concern?	⊙		Depending on the situation, the Company instructs its finance, stock affairs, customer service, and procurement departments to communicate with stakeholders, and has a stakeholder section on the Company's website to properly respond to stakeholders' concerns, including corporate social responsibilities and related issues.	None
VI. Does the Company appoint a professional stock affairs agency to handle the affairs related to shareholders' meetings?	⊙		The Company has appointed the Share Registration Agency Department of Fubon Securities Co., Ltd. to handle the affairs of the Shareholders' Meeting.	None
VII. Information disclosures				
(I) Has the Company set up a website to disclose information on financial business and corporate governance?	⊙		(I) The Company has disclosed financial, business, and corporate governance information through the Company's website: www.kpec.com.tw.	(I) None
(II) Does the Company adopt other methods to disclose information (such as setting up an English website, designating personnel to collect and disclose company information, implementing a spokesperson system, or placing the proceeding of investor conferences on the Company website)?	⊙		(II) The Company has established a spokesperson system, and the Shareholder Affairs Division and other relevant units have designated the spokesperson to collect information at any time, and disclose the Company's information on the Market Observation Post System and on the Company's website or during investor conferences.	(II) None
(III) Does the Company announce and submit an annual financial report to the competent authority within two months after the end of each fiscal year and announce and submit the financial reports for the first, second, and third quarters and the operations of each month to the competent authority before a specified deadline?	⊙		(III) The Company shall, in accordance with Paragraph 1 Article 36 of the Securities and Exchange Act, publish and declare the annual financial report that has been audited and verified by the CPA and approved by the Board of Directors within three months after the end of each fiscal year; Within 45 days after the end of the first, second, and third quarters of a fiscal year, the financial statements reviewed by the CPAs and reported to the Board of Directors; and before the 10th day of each month, announce and file the monthly operations status.	III) The Company shall proceed with the transaction in accordance with the Securities and Exchange Act.
VIII. Does the Company have other important information that facilitates the understanding of the operations of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of client policies, and the Company's purchase of directors and supervisors liability insurance)?	⊙		The Company's management actively promotes corporate governance, and the Company's website discloses relevant adopted systems, measures, and implementation summaries as follows: (I) Employees' rights and interests: The Company protects the legitimate rights and interests of its employees in good faith and in accordance with the Labor Standards Act.	(I) None

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
	◎		(II) Social Inclusion and Employee Care Measures: Under the proactive efforts of the Social Inclusion Subcommittee of the Sustainability Development Committee, employees voluntarily participate in community service activities, such as volunteering at rural elementary schools to help improve educational resources, and actively care for disadvantaged groups, thereby fulfilling corporate citizenship and demonstrating social impact. To support employee mental and physical well-being, the Company has organized essential oil therapy sessions to relieve stress and enhance quality of life. The Employee Welfare Committee also actively provides comprehensive welfare programs, including regular health checkups, professional training, and holistic care initiatives to ensure employees' overall well-being.	(II) None
	◎		(III) Investor Relations, Supplier Relations, and Stakeholder Rights The Company is committed to information transparency and discloses financial and operational information in a timely and appropriate manner in accordance with applicable laws and regulations. Dedicated contact windows and email addresses are provided to facilitate communication and feedback from investors, suppliers, and stakeholders. To protect the rights and interests of both domestic and international investors, the Company has established a Corporate Governance section on its official website in both Chinese and English, offering diversified information to investors.	(III) None
	◎		(IV) Director Training All directors of the Company have undertaken relevant training courses in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies." For details regarding the director training in 2024, please refer to page 13 of the Annual Report.	(IV) None
	◎		(V) Implementation of Risk Management Policies and Risk Assessment Standards: Continuing education for directors and supervisors: In order to keep up with international trends, the Company arranges professionals to conduct continuing education for directors and supervisors and obtain relevant certifications every year.	(V) None
	◎		(VI) Customer Policy Implementation The Company maintains stable and good relationships with its customers to achieve a win-win and harmonious situation. The General Management Office conducts annual customer satisfaction surveys and provides various channels for two-way communication with customers.	(VI) None
	◎		(VII) The Company has purchased Directors and Officers Liability Insurance from Mega Insurance Co., Ltd.	(VII) None

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
IX. Please specify any improvements made as per the results of the corporate governance evaluation announced by the Corporate Governance Center, Taiwan Stock Exchange Corporation, in the most recent year and put forth prioritized measures to improve those that have not yet improved:	◎		The Company prepares a corporate governance self-evaluation report at the end of each year, and the audit unit evaluates the results and submits the report to the Board of Directors and Supervisors meeting. Improvements are tracked every quarter for the defects stated in the self-evaluation.	None

(VI) The promotion of sustainable development and the deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

Item	Status of execution (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	<u>Yes</u>	<u>No</u>	Brief description	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development, governed by the senior management as authorized by the board of directors, which supervises the implementation?	◎		<p>(I) The Company established the "Corporate Social Responsibility Best Practice Principles" on May 10, 2016 to actively fulfill the commitment of social responsibility and to achieve the international trend of environmental sustainability, social and corporate governance development. In August 2020, the Board of Directors passed the corporate social responsibility promotion plan. In May 2023, the Board of Directors approved the renaming of the original "Corporate Social Responsibility Best Practice Principles" to the "Sustainable Development Best Practice Principles."</p> <p>(II) In August 2022, the Company's Board of Directors approved the establishment of the Sustainable Development Committee, which comprises four subcommittees: the Corporate Governance Task Force, Environmental Protection Task Force, Social Inclusion Task Force, and Sustainable Engineering Task Force. These groups are responsible for strengthening and implementing the Company's management functions across environmental, social, and corporate governance aspects. The Chairman of the Board serves as the Chairperson of the Committee, and the administrative head of the General Administration Division acts as the Executive Secretary, responsible for promoting sustainable development. Progress on sustainability initiatives is regularly discussed at management meetings annually and reported to the Board of Directors semi-annually. In May 2023, the Board approved the Sustainable Development Committee Organizational Rules to further fulfill corporate social responsibility, align with international trends, and proactively respond to stakeholders' risk assessments and mitigation strategies related to environmental, social, and governance matters, thereby achieving sustainable management objectives. The Company engaged Uleearth Sustainability Consulting to assist with the Greenhouse Gas Inventory and the preparation of the Sustainability Strategy Blueprint and Sustainability Report. On August 21, 2024, the Company obtained the 2023 Greenhouse Gas Verification Statement, and in November 2024, published the 2023 Corporate Sustainability Report. The next report is scheduled for release in August 2025.</p>	None.

			<p>(III) The execution results for the year 2024 were reported to the Board of Directors on November 8, 2024. Highlights of the implementation are as follows:</p> <p>(1) On August 24, 2024, the Company obtained the 2023 Greenhouse Gas Verification Statement. The 2023 Corporate Sustainability Report was published in November 2024, with the next report scheduled for August 2025.</p> <p>(2)</p> <p>(3) Promoting social inclusion and fulfilling corporate social responsibility: The Company actively fulfills its corporate citizenship responsibilities and takes concrete actions in social care. In 2024, a total of 16 volunteer participations were recorded, involving three rural multi-exploration education programs to help improve educational resource shortages and support disadvantaged students, demonstrating the Company's positive social impact. The activities took place at the following dates and locations:</p> <ul style="list-style-type: none"> -November 12, 2024: Renfeng Elementary School, Changhua -November 12, 2024: Qiaoyi Elementary School, Changhua -December 26, 2024: Wanfugu Elementary School, Sanxing, Yilan <p>Additionally, to care for employees' physical and mental health, the Company organized an essential oil therapy course on December 26, 2024, to help employees relieve stress and enhance overall quality of life, showing a strong commitment to employee well-being.</p> <p>(4) Promoting workplace health and establishing a safe work environment — specific actions: The Company implemented a health promotion program, hosting various activities to balance work and life and relax the body and mind. Workplace safety management systems were strictly enforced to maintain a safe working environment. Outcomes include tracking operational safety through the occupational health and safety management system, proactively caring for employee health and safety, and organizing onsite health services by occupational specialists, prevention programs for workplace harassment, and health promotion campaigns (e.g., influenza prevention, cardiovascular disease awareness). The Company recorded zero major occupational accidents in 2024.</p> <p>(5) The Company's Board of Directors places great importance on advancing sustainable development and has progressively offered suggestions on ESG topics, including strengthening the Board's role in sustainability efforts and providing related advice and support. The Board continues to focus on sustainability strategies and provides timely recommendations.</p>	
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<p>II. Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to company operations as per the principle of materiality? Has the Company formulated relevant risk management policies or strategies? (Note 2)</p>	<p>◎</p>		<p>(I) The Company's Board of Directors approved the establishment of the "Corporate Sustainability Committee" in August 2022. The risk assessment boundary is mainly set as the head office and does not include subsidiaries so far. The Company plans to implement the "Compilation of Sustainability Reports and Development of Sustainability Strategy" in July 2023. Based on the GRI Standards and the AA 1000 Stakeholder Engagement Standard, the Company applies the four principles of Identification, Analysis, Confirmation, and Inspection to identify material issues in the three aspects of environmental, social, and corporate governance, and formulates related risk management policies or strategies as follows:</p> <p>(1) Environmental: The Company started to adopt the Task Force on Climate-Related Financial Disclosures (TCFD) framework to construct the Company's climate risk identification process this year, and conducts regular inventory of greenhouse gas (GHG) according to ISO 14064-1 to inspect the impacts to the company's operations. Constant research and development of green energy-saving engineering technology strategy is conducted with the aim to build carbon inventory, carbon footprint, and carbon reduction capabilities, guiding enterprises to comprehensively identify greenhouse gas impacts, and achieve carbon reduction performance.</p> <p>(2) Social aspects: Occupational health and safety management issues are regularly assessed, and the ISO 14001 environmental management system and ISO 45001 occupational safety and health certification have been used to integrate environmental issues and occupational safety and health management into one safety and environmental management system that is integrated into the company as a whole, maintaining comprehensive risk management through daily operations.</p> <p>(3) Corporate governance aspect: In accordance with the "Corporate Governance Best Practice Principles," the Company strengthens the operation of the Board of Directors and practices integrity management to ensure that all personnel comply with relevant laws and regulations, thereby fostering a sound corporate governance culture. The Company's General Manager's Office conducts internal education and promotion on insider trading prevention every six months during the management meetings for the Chairman, General Manager, and department heads, and also issues announcements on insider trading prevention semiannually. Since 2023, the Company has enhanced the internal education and promotion on insider trading prevention by conducting two sessions annually for all employees, department supervisors, and key management personnel. Currently, communication regarding suppliers and other employees is limited to announcements; however, Qingbang plans to actively incorporate anti-corruption training into the education programs for suppliers and employees in the future.</p> <p>In addition, to strengthen information and communication technology (ICT) risk management and governance, the Company has formulated relevant information security and confidential information protection policies, established protective measures including firewalls, cybersecurity devices,</p>	<p>None.</p>
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			<p>and antivirus software, and completed the declaration of “Information Security Supervisors and Cybersecurity Personnel” in December 2022. In November 2024, the Company established a “Network Equipment and System Backup Mechanism,” using geographically separated backup environments and equipment to reduce the impact of natural disasters or human factors on critical data and services, further ensuring operational stability and information transparency.</p> <p>For more detailed information on materiality assessments and management goals, please refer to the “Sustainability Management” section of the Sustainability Report.</p>	
<p>III. Environmental issues</p> <p>(I) Has the Company set up an appropriate environmental management system as per its industrial characteristics?</p>	◎		<p>(I) The Company obtained the ISO 9001:2015 quality management certification in 1999; established the Occupational Safety Committee in January 2020 to effectively prevent occupational disasters and protect the health and safety of employees; ISO 14001:2015 environmental management system and ISO 45001:2018 occupational safety and health certification were obtained in December 2021, and the Company regularly reviews and improves the implementation of related operations.</p>	(I) None.
<p>(II) Is the Company committed to improving energy efficiency and adopting recycled materials with low environmental impact?</p>	◎		<p>(II) The Company actively assists clients in establishing energy management systems and promoting smart factory initiatives. During the design phase, tools such as E3D and BIM 3D modeling are utilized for clash detection, precise material verification, and pipeline prefabrication to improve construction efficiency and reduce construction waste. High-efficiency electrical equipment (e.g., amorphous transformers) and enhanced noise control measures are selected.</p> <p>In daily operations, the Company continues to implement key energy-saving and carbon reduction measures, including:</p> <p>(1) Replacing old air conditioning units: Maintaining, upgrading, or replacing outdated, energy-consuming, or malfunctioning air conditioners with high-efficiency, energy-saving models to improve energy utilization efficiency.</p> <p>(2) Lighting system optimization: Fully replacing lighting with high-efficiency flat LED fixtures to reduce power consumption and achieve energy-saving and carbon reduction goals.</p> <p>(3) Air conditioning energy management: Effectively managing air conditioning usage through scheduled on/off controls, time-based adjustments, temperature settings, and strengthened energy-saving awareness campaigns to reduce energy waste.</p> <p>(4) Office paper-saving measures: Implementing double-sided printing, using recycled paper, and enforcing paper usage control to reduce paper consumption and support resource sustainability.</p> <p>(5) Source recycling and classification: Implementing clear waste classification and recycling operations in office buildings to promote resource circularity.</p> <p>(6) Energy-saving appliances and office management: Replacing appliances with inverter models and energy-efficient computers, promoting shutdown after work, and encouraging energy-saving behaviors to strengthen electricity management.</p> <p>(7) Construction site energy-saving measures: Controlling air conditioning temperature and usage periods on construction sites, alternating between air conditioning and fans, utilizing natural lighting, and using environmentally friendly equipment with energy-saving certifications to improve energy efficiency.</p> <p>(8) Electrification of vehicles: Phasing out old gasoline/diesel</p>	(II) None.

			<p>company vehicles, gradually replacing large-displacement vehicles with smaller ones to reduce fuel consumption, promoting ride-sharing for official travel to effectively reduce carbon emissions, and planning future introduction of pure electric vehicles to achieve low-carbon mobility goals.(9)Promoting digital operations: Implementing an ERP system to fully digitize business processes, reducing paper-based work and energy consumption.(10)ctively supporting green office concepts: Procuring environmentally friendly office furniture made of sustainable materials to create a comprehensive low-carbon and sustainable office environment.</p>	
(III) Has the Company assessed its current and future potential risks and opportunities of climate change and taken countermeasures against climate-related issues?	◎	(III)	<p>To proactively address the challenges of climate change, the Company published the "2023 Corporate Sustainability Report" in November 2024. The Corporate Sustainability Committee serves as the highest organization for climate change matters, chaired by the Chairman of the Board, with the General Administration Department's senior executive acting as the Executive Secretary. Starting this year, the Company evaluates climate change risks and opportunities based on the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board. The Company regularly reviews its climate change strategies and targets, manages climate-related risks and opportunities, monitors implementation status, discusses future plans, and reports to the Board of Directors. For detailed information, please refer to the "Environmental Sustainability" section of the Sustainability Report.</p>	(III) None.
(IV) Has the Company counted the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and formulated policies on greenhouse gas reduction, water consumption reduction, or other waste management?	◎	(IV)	<p>The Company's office buildings in the Neihu Science Park have no air pollution/sewage waste emissions and greenhouse gas emissions issues that derived from the manufacturing industry. The Company has reviewed the overall electricity usage of contract capacity, and significant cost savings have occurred. In addition, the Company submitted the parent company's greenhouse gas inventory and verification schedule to the Board of Directors in August 2022, and started the "greenhouse gas inventory and verification schedule" in March 2023. The Company reports to the Board of Directors on a quarterly basis to continuously control the completion of greenhouse gas inventory and verification disclosure schedule. Fulfilling our environmental responsibilities and popularizing environmental awareness is our sustainable environmental management policy, and we are committed to reducing the environmental footprint of our operations. At the same time, we use our core expertise in design and planning to assist clients in the promotion and implementation of energy conservation, carbon reduction, zero-carbon emissions, and ESG corporate sustainability.</p> <p>(1) The company's greenhouse gas emissions, water consumption, and total waste weight statistics for the past two years are as follows:Scope 1 greenhouse gas emissions mainly come from fuel used by company vehicles, with a total usage of 1,716.54 liters in 2022 and 1,590.74 liters in 2023. The corresponding Scope 1 carbon emissions were 9.7959 metric tons CO2e in 2022 and 7.0569 metric tons CO2e in 2023.Scope 2 emissions derive from purchased electricity consumption, currently covering the company headquarters at the 5th floor of Century Guobao Building and the 9th floor of Liren Building. Total purchased electricity</p>	(IV) None.

was 295,782 kWh in 2022 and 297,483.4 kWh in 2023. Corresponding carbon emissions were 149.7870 metric tons CO₂e in 2022 and 146.9568 metric tons CO₂e in 2023. There were no biogenic CO₂ emissions. In 2022, following a materiality assessment, Scope 3 (category 3.5) emissions related to business commuting by airplane and employee accommodations were inventoried. In 2023, the scope was expanded to include high-speed rail and Taiwan Railways.

Greenhouse Gas Emissions	2022	2023
Scope 1: Direct Emissions (metric tons CO ₂ e)	9.7959	7.0569
Scope 2: Energy Indirect Emissions (metric tons CO ₂ e)	149.7870	146.9568
Scope 3: Other Indirect Emissions (metric tons CO ₂ e)	3.0632	17.2838
Scope 1 + 2 + 3 Emissions (metric tons CO ₂ e)	162.6460	171.2980
Annual Growth Rate (%)	-	5.32%

Types of Greenhouse Gas Emissions	2022	2023
Carbon Dioxide (CO ₂) (metric tons CO ₂ e)	161.5992	167.8406
Methane (CH ₄) (metric tons CO ₂ e)	0.0893	0.0363
Nitrous Oxide (N ₂ O) (metric tons CO ₂ e)	0.2730	0.1092
Hydrofluorocarbons (HFCs) (metric tons CO ₂ e)	0.6846	3.3114
Sulfur Hexafluoride (SF ₆) (metric tons CO ₂ e)	0	0
Nitrogen Trifluoride (NF ₃) (metric tons CO ₂ e)	0	0
Perfluorocarbons (PFCs) (metric tons CO ₂ e)	0	0

Short-term Actions (2024–2030): Enhance the energy efficiency of office equipment, including replacing lighting at the headquarters with more energy-efficient LED fixtures, installing motion sensor lighting in corridors, turning off office lights daily from 13:00 to 13:30 during lunch breaks, adjusting air conditioning temperatures according to different zone requirements to reduce unnecessary energy consumption, and encouraging carpooling to reduce fuel consumption of company vehicles.

Long-term Actions (2030–2050): Gradually phase out fuel-powered company vehicles and replace them with electric vehicles, progressively replace aging air conditioning units with energy-efficient models, build a green supply chain, and develop green engineering technologies.

Energy Resource Management: Over the past three years, the management department has taken primary responsibility for managing and supervising operational energy consumption. Annual audits of electricity use are

conducted at the company's main operational sites — Century National Treasure Headquarters 5F and Liren Building 9F. Based on these audits, relevant energy-saving action plans are developed. The company has also completed the implementation of an energy management system that comprehensively monitors the operation status of equipment and instruments. Through energy data visualization, energy data is collected and integrated to identify equipment operational anomalies and user-related inefficiencies. This supports the development of energy-saving strategies to improve efficiency. Meanwhile, management personnel can access real-time equipment operation status, comprehensive energy consumption analysis, and abnormal operation information, all aimed at achieving enhanced energy efficiency.

(2) Specific Office Electricity Saving Actions:

We conduct regular annual monitoring of electricity consumption and performance indicators, followed by performance evaluations. Through active internal communication (such as regular announcements), employees are reminded to practice energy-saving habits, such as turning off lights and air conditioners when not in use. When procuring equipment, priority is given to products with energy-saving certifications and high Energy Efficiency Ratio (EER) values. Regular maintenance is carried out (e.g., cleaning air-conditioning systems and clearing refrigerator clutter) to improve equipment operating efficiency. Copiers are set to power-saving mode, and lights are turned off for one hour during the lunch break.

Electricity Consumption for Office Operations in the Past 3 Years			
	2021	2022	2023
Head Office – Century Treasure 5F (kWh)	220,993	221,194	230,697
Liren Building 9F (kWh)	54,682	60,320	54,400
Liren Building 9F – Shared Electricity (kWh)	13,763	13,278	12,386
Total Energy Consumption (kWh)	289,438	295,782	297,483
Total Energy Consumption (GJ)	1,041.98	1,061.25	1,070.94
Annual Growth Rate (%)	-	1.80%	0.90%
Energy Intensity (kWh/person)	3,445.69	3,468.14	3,233.51
Total Energy Consumption (GJ/person)	12.4	12.49	11.64

(3) Specific Office Electricity Saving Actions:

Raw Material Usage Management: Effective management of material usage in office operations and construction projects helps improve resource efficiency, reduce unnecessary waste, and lower costs. For construction-related raw materials, we have gradually begun to track the consumption of

renewable and non-renewable materials in order to better understand current usage conditions. Based on this understanding, we aim to develop policies that promote the use of more renewable materials and facilitate the future implementation of circular economy practices.

	Usage Scope	Material	Unit	2023 Order Quantity
Renewable Materials	Office Operations	Paper	kg	1,792
	Construction Projects	Steel	metric tons	1,422
	Construction Projects	Non-ferrous Metals	metric tons	515
	Construction Projects	Concrete	metric tons	903
	Construction Projects	Asphalt	metric tons	153
Non-renewable Materials	Construction Projects	Diesel (or Fuel)	liters	3,300

(4) Specific Office Electricity Saving Actions:

Water Resource ManagementAll water used in the Qingbang Group offices is supplied by the Taipei Water Department, with no water sourced from other bodies of water. After use, all wastewater is properly discharged into the municipal sewage system. The Administration Department is responsible for regularly tracking and managing water usage and has implemented relevant water-saving measures accordingly.

Material Description	2022	2023
Floor Area (ping)	106	106
Total Water Consumption (m³)	464	427
Annual Growth Rate of Water Consumption (%)	0	-6.98
Number of Employees (persons)	30	31
Water Intensity (m³/person)	15	13.77

Specific Water Conservation Measures:The Company implements various water-saving initiatives, including the procurement of water-efficient certified products, installation of automatic sensor faucets, and periodic EDM notifications to employees regarding the Company's water-saving policies. Water usage management is continuously reviewed to assess actual needs and improve efficiency. During engineering pressure testing processes, wastewater is collected, treated, and either discharged or reused

			<p>based on its volume and quality. The Company also quantifies the amount of water conserved and recycled.</p> <p>(5) Specific Waste Management Measures:</p> <p>The Company's office operations generate only general industrial waste, which is sorted according to recycling categories and handled by contracted cleaning service providers. Construction activities generate both general and hazardous industrial waste, which are disposed of by qualified and licensed third-party contractors. Each construction project team is responsible for coordinating and supervising the waste removal process and outcomes to prevent secondary pollution caused by contractor negligence. Thanks to rigorous oversight, the Company has not incurred any losses or penalties due to environmental pollution over the past two years.</p> <p>Additionally, we strive to reduce waste at the source to minimize environmental impact. In office operations, we are promoting digitization to reduce paper usage and printing. At construction sites, efforts are focused on minimizing surplus materials and maximizing resource efficiency.</p> <p>For detailed data on greenhouse gas emissions, water consumption, total waste volume over the past two years, and related policies on energy conservation, carbon reduction, GHG mitigation, water conservation, or other waste management initiatives, please refer to the "Green Operations" chapter of the Sustainability Report.</p>	
<p>IV. Social issues</p> <p>(I) Does the Company formulate relevant management policies and procedures in accordance with applicable laws and the International Bill of Human Rights?</p>	◎	(I)	<p>The Company respects and protects the basic human rights of all employees, customers, and stakeholders committed to the philosophy of corporate sustainable development, in compliance with the principles stated in the international conventions, namely, the United Nations Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights, The United Nations Global Compact, and International Labor Organization. These principles cover the topics, such as, freedom of association, concern for disadvantaged groups, prohibition of child labor, elimination of all forms of forced labor, and elimination of employment discrimination; and the Company also complies with the labor-related laws and regulations in the place where the Company is located. The Company establishes the retirement policy in accordance with the Labor Standards Act, purchases group medical insurance for each employee, appoints an employee welfare committee and holds regular labor-management coordination meetings to protect the rights and interests of employees. The protection of the legal rights and interests of employees and the employment policies are adhered to for protecting the basic labor rights of employees.</p>	(I) None.

<p>(II) Has the Company formulated and implemented reasonable employee benefit measures (including remuneration, leave, and other benefits) and reflected business performance or achievements in employee remuneration appropriately?</p>	<p>◎</p>	<p>(II) The Company regularly reviews the market salary level, economic trends and individual potentials every year to make salary adjustments. Bonuses are also calculated based on the annual budget target achievement rate, the Company's annual operating performance and individual performance, in order to provide employees with reasonable remuneration. In terms of welfare planning, in addition to the statutory standards, the Company also offers more welfare systems that meet the needs of employees, such as multiple leave of absence without pay, group insurance, and professional trainings that are superior than the laws and regulations. The Company retained the assistance of professional actuaries under the old pension system to protect employees' interests in claiming pensions in the future; whereas the pension contribution rate under the new system was 6%, the Company made full contribution to employees under the new pension system. Performance indicators, workplace, roles and responsibilities, ability development, and future potential are all included. The Employee Welfare Committee and labor-management meetings are convened on a regular basis, and an employee proposal and suggestion box is provided so that employees can raise various issues at any time and establish a positive relationship.</p>	<p>(II) None.</p>
<p>(III) Does the Company provide employees with a safe and healthy work environment and offer safety and health education to employees regularly?</p>	<p>◎</p>	<p>(III) The Company complies with various occupational safety regulations and systems, and the occupational safety department is solely responsible for the planning, execution, and supervision of health management related operations and education and training. Through regular automatic inspections, safety and health education and drills necessary for disaster prevention, employees' awareness of the hazards of the work environment and their ability to respond to emergencies are enhanced. Various occupational safety management systems have been implemented to create a safe work environment.</p> <p>(1) The Company organizes the various trainings for new employees and in-service employees from time to time. They are the general safety and health education and training; prevention of illegal violence in the workplace; complaints and disciplinary measures for prevention of sexual harassment in the workplace; and health promotion propaganda (such as: COVID-19 epidemic-related epidemic prevention measures, influenza prevention, etc.).</p> <p>(2) In December 2022, promote on-site medical care services to assist employees in safer and appropriate work, avoid health hazards in the workplace or at work, implement personal health protection and health management, and create a healthy and friendly workplace environment.</p> <p>(3) The accumulated no hazards work hours from November 1, 2019 to February 28, 2023 were a total of 1,518,336 hours (average number of participants are 277 workers).</p>	<p>(III) None.</p>

			<p>(4) The Company has secured access and has passed regular government fire inspections to ensure a safe and healthy work environment for employees. In addition to the statutory labor and health insurance, employees are insured with group insurance and provided with a free health checkup once a year.</p>	
(IV) Has the Company established an effective career development training program for employees?	◎	(IV)	<p>Our company's office building, located within the Neihu Science Park, does not produce emissions related to air pollution, wastewater discharge, or greenhouse gases commonly associated with manufacturing industries. Additionally, the company has conducted a comprehensive review of its electricity contract capacity, resulting in significant cost savings. In August 2022, the Board of Directors approved the parent company's greenhouse gas inventory and verification schedule plan. On August 21, 2024, the company obtained the "Greenhouse Gas Verification Statement." The progress of the 2025 greenhouse gas inventory and verification schedule plan is reported quarterly to the Board to continuously monitor the completion status of greenhouse gas inventory, verification, and disclosure timelines. The company is committed to environmental responsibility and promoting environmental awareness as part of its environmental sustainability management policy and strives to reduce its operational environmental footprint. Furthermore, leveraging its core expertise in design and planning, the company assists clients in energy saving, carbon reduction, zero carbon emissions, and the promotion and implementation of ESG corporate sustainability initiatives.</p>	(IV) None.
(V) Does the Company comply with applicable laws and international standards regarding issues, such as customer health and safety, customer privacy, as well as marketing and labelling of products and services? Has it formulated relevant policies and complaint procedures to protect consumers' or customers' rights and interest?	◎	(V)	<p>The Company is an engineering and technical service provider that provides customers with customized integrated services such as design, planning, and construction. The marketing and labeling of services are implemented in accordance with international norms and standards. In order to protect the confidential information of customers, confidentiality clauses are included in all contracts with customers and the related penalties to protect the rights and interests of customers, and we also provide a channel for customers to submit complaints, so that customers can have a better relationship with the company.</p>	(V) None.
(VI) Has the Company formulated a supplier management policy, required suppliers to follow applicable regulations on issues, such as environmental protection, occupational safety and health, or labor rights? The implementation thereof? Disclosure of relevant and reliable CSR information?	◎	(VI)	<p>The Company has always been committed to the sustainable development of the company, and has established the Supplier and Collaboration Management Regulations and related specifications to require all suppliers to cooperate. Hence, all of the suppliers are requested to sign the "Supplier Commitment on Environment, Health and Safety," and "Quality, Safety and Health Guidelines" and so forth. If there is a significant negative impact on the environment, safety, labor conditions, human rights, or society, the Company may advocate for the</p>	(VI) None.

			<p>termination or rescission of the contract. In addition, if the supplier has passed the ISO 9001:2015 quality management system, ISO 14001:2015 environmental management system, ISO 45001:2018 occupational safety and health management system certification, or other relevant government certifications or quality certification issued by foreign governments, they will be listed as priority suppliers. The mutual influence between the upstream and downstream of the industrial chain is expected to promote the sustainability of the entire industrial chain and jointly commit to, abide by, and practice the sustainable operation of the enterprise.</p>	
V.	<p>Has the Company referred to the internationally accepted reporting standards or guidelines to prepare reports, such as ESG reports that discloses the Company's non-financial information? Has a third-party verification entity provided assurance or assurance opinion for said report?</p>	◎	<p>This report has been prepared in accordance with the "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" issued by the Taiwan Stock Exchange. It adopts the GRI Standards issued by the Global Sustainability Standards Board (GSSB) and also refers to the Sustainability Accounting Standards Board (SASB) Standards and the Task Force on Climate-related Financial Disclosures (TCFD) framework for information disclosure. The report has been assured by an independent third-party organization.</p> <p>The 2023 (Year 112) Sustainability Report obtained an independent assurance statement issued by the Taiwan Branch of BSI Group Singapore Pte. Ltd., and has been uploaded to the Company's website. The assurance engagement for the 2024 (Year 113) Sustainability Report will continue to be conducted by BSI, and the report is currently under preparation, with completion expected by the end of August.</p>	None.
VI.	<p>Where the Company has formulated its own sustainable development code in accordance with the Sustainable Development Best Practice Principles, please specified the differences between the implementation and the principles:</p> <p>The Company follows the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" for self-defined operations complying with the requirements of the "Sustainable Development Best Practice Principles." The Company regularly reports the implementation status to the board of directors, reviews the implementation status, and makes improvements accordingly. No significant difference up till this date. The "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" will be revised based on the actual needs of the Company in the future.</p>			
VII.	<p>Other important information that facilitates the promotion of sustainable development:</p> <p>(I) Environmental protection</p> <p>In order to fulfill the social responsibility of protecting the global environment, the Company does not use environmentally-polluting substances in the production process, and the scrapped items are also processed by a recycling company. There is no impact on the environment.</p> <p>(II) Social welfare</p> <p>The Company makes donations for social welfare from time to time, uses its professional skills to help disadvantaged groups, and develops a corporate culture of charity. The annual limit is not more than NT\$300,000. The amount of investment for each project depends on the nature of the event. The accumulated amount is kept to within the aforementioned annual budget. Participate in various public welfare activities at home and abroad initiated, organized, and promoted by public welfare groups, such as:</p> <p>1. Financial Support for Disadvantaged Groups:</p> <p>May 2024, Qingbang donated NT\$100,000 to the "Taiwan Food Rescue Action Association" to support the provision of free meal boxes and culinary training programs for the underprivileged, integrating food rescue</p>			

with empowerment initiatives.

2. Aid for Noto Earthquake Disaster Area:

In response to the major earthquake in Japan's Noto Peninsula, Qingbang donated NT\$100,000 through the Rotary Club of Taipei West to support disaster relief and reconstruction efforts, demonstrating corporate humanitarian care.

3. Sponsorship of the Taipei University Women's Basketball Team:

In 2024, Qingbang sponsored NT\$200,000 to support the Taipei University Women's Basketball Team in participating in UBA and international competitions, promoting the development of sports and academic excellence.

4. Scholarships for Outstanding Youth:

Qingbang donated NT\$150,000 to the Rotary Education Foundation of Taiwan to support youth development in academics, innovation, and public service, fostering talents for sustainable development.

5. Promotion of Volunteer Services:

In 2024, a total of 16 volunteer instances were recorded, with participation in three multi-disciplinary exploratory education programs in rural areas. These initiatives aimed to improve educational resource deficiencies and care for underprivileged children, reflecting the company's positive social impact.

Event dates and locations:

November 12, 2024: Renfeng Elementary School, Changhua

November 12, 2024: Qiaoyi Elementary School, Changhua

December 26, 2024: Wanfu Elementary School, Sanxing Township, Yilan

6. Employee Physical and Mental Well-being:

On December 26, 2024, the company organized an essential oil therapy course to help employees relieve stress and enhance overall quality of life, demonstrating our commitment to employee well-being.

(III) Promotion of workplace health and safety at work.

Qingbang consistently promotes on-site medical services and periodically disseminates health promotion information. In 2024, the company organized 12 on-site consultations with occupational physicians and a total of 72 on-site sessions with occupational health nurses. These initiatives aim to help employees work in a safer and more appropriate manner, prevent occupational health hazards, and implement personal health protection and management, thereby fostering a healthy and friendly workplace environment.

(IV) Consumer rights

To provide customers with comprehensive services and protection, the Company promptly engages in thorough communication with customers upon receiving complaints, aiming to understand their needs and enhance interaction. Improvement measures are periodically reviewed during management meetings.

The Company's website features a dedicated section for stakeholders, including employees, customers, suppliers, shareholders, and investors. Designated contact points are assigned based on stakeholder categories to establish effective communication channels. The Company continuously listens to stakeholder feedback and identifies key areas of concern. Related communication mechanisms and implementation outcomes are disclosed annually to ensure transparent and efficient information exchange. These mechanisms and results are published on the Company's website.

(V) Human Rights, Safety and Health

1. Upholding the business philosophy of integrity, harmony, innovation, excellence, continuous growth, and sustainability, we attach great importance to employee benefits. We have established an Employee Welfare Committee to contribute monthly welfare funds. The Welfare Committee arranges activities such as various tourism activities, club activities, and welfare events.
2. Provide various welfare subsidies for weddings and funerals, scholarships and emergency assistance, annual health examinations, group life insurance and accident insurance.
3. The Company offers a comprehensive range of employee benefits, including allowances for weddings, funerals, and special occasions, scholarships and emergency relief funds, annual health checkups, group life insurance, and accident insurance, demonstrating our commitment to employee well-being.

We regularly assess and prioritize the issue of occupational health and safety management. By implementing the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety

Management System, we have integrated environmental and occupational health and safety concerns into a unified EHS (Environment, Health, and Safety) management system. This system is fully embedded into our daily operations to ensure effective risk identification and control, thereby safeguarding employee health and maintaining a safe working environment.

Note 1: If you select "Yes" for the implementation, please specify the important policies, strategies, measures and implementations; if you select "No," please explain the deviation and causes of deviation in the column for "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and explain the plans for adopting relevant policies, strategies and measures.

Note 2: The principle of materiality refers to the significant impacts arising from the environmental, social and corporate governance issues on the Company's investors and other stakeholders.

(VII) The Company's implementation of ethical management and any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor:

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Formulation of ethical management policies and plans				
(I) Has the Company formulated an ethical management policy approved by the board of directors and disclosed the policy and practice of ethical management in its regulations and public documents? Are the board of directors and the senior management committed to actively implementing the policy?	◎		(I) The Company incorporates the principles of ethical corporate management in accordance with the Company Act, Securities and Exchange Act, applicable regulations for listed companies, and other relevant business conduct laws and regulations. With the approval of the Board of Directors, the Company has established the “Code of Ethical Corporate Management” and the “Procedures for Ethical Management and Guidelines for Conduct,” which clearly state that individuals with conflicts of interest must recuse themselves from relevant matters. In 2024, all nine directors, along with 12 senior executives and insiders, signed the “Statement of Compliance with the Ethical Corporate Management Policy,” requiring directors and managers to lead by example, adhere to the principles of honesty and integrity, and foster a culture of ethical and trustworthy corporate behavior.	(I) None
(II) Has the Company established an assessment mechanism for the risk of unethical conduct to regularly analyze and evaluate the business activities with a higher risk of unethical conduct within the business scope and formulated a prevention plan accordingly, at least covering the prevention measures for the acts under each subparagraph under Article 7, paragraph 2 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	◎		(II) The Company organizes education, training, and advocacy for directors, supervisors, managers, employees, and parties of de facto control on a regular basis, and invites counterparties engaged in business activities with the Company to participate so that they can fully understand the requirements of the Company's ethical corporate management and its determination, policies, prevention plans, and consequences of unethical practices.	(II) None
(III) Has the Company clearly specified operating procedures, guidelines for conduct, and a violation punishment and complaint system in the unethical conduct prevention plan and duly implemented them? Does the Company regularly review and revise said plan?	◎		(III) No director, supervisor, manager, employee, party with de facto control, or other interested party of the Company shall directly or indirectly offer, promise, request or accept any improper benefits, or other unethical behaviors such as violation of integrity, illegality, or breach of fiduciary obligations, they shall be punished with reprimand or demerit or dismissal depending on the circumstances. Prevention is enhanced through strengthening the company's internal control system.	(III) None
II. Implementation of ethical management				
(I) Does the Company evaluate each counterparty's records for ethics? Has the Company specified the terms of ethical conduct in each contract signed with each counterparty?	◎		(I) Before engaging in commercial activities, the Company will check whether the counterparty has any dishonest record (such as Check Credit Inquiry, default records) before trading, and prevent transactions or contracts with parties with a record of unethical behavior. The contract may be terminated or rescinded at any time if the counterparty is found to be involved in unethical conduct.	(I) None
(II) Has the Company established a dedicated (concurrent) unit under the board of directors to conduct ethical corporate management, regularly (at least once a	◎		(II) To ensure sound ethical corporate management, the Company has designated relevant management departments to be responsible for	(II) None

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
year) report to the board of directors on its ethical management policies and prevention plans for unethical conduct, and supervise the implementation?			<p>formulating ethical management policies and prevention programs. The Audit and Risk Management Committee is tasked with supervising the implementation of these measures, and a report was submitted to the Board of Directors on December 16, 2024.</p> <p>The Company has dedicated personnel in charge of legal compliance to conduct regular inspections to ensure that all operations and management rules are updated in a timely manner in compliance with relevant laws and regulations, so that all operating activities comply with laws and regulations, in order to maintain the integrity of the Company, and they report to the Board of Directors regularly.</p>	
(III) Has the Company formulated policies to prevent conflicts of interest, provided appropriate methods for stating one's conflicts of interest, and implemented them appropriately?	◎		(III) The Company has established guidelines for management, in which all stakeholders shall recuse themselves from matters of conflicting interests, and shall not take advantage of their positions in the Company to obtain any illicit benefits. Those who have personal interest or the interest of the juridical person they represent involved in the proposals on the agenda of the board meetings, which may be detrimental to the Company's interest, may state their opinions and answer questions and shall recuse themselves from the discussion and voting on a given proposal, and shall not act as a proxy for other directors exercising voting rights on their behalves.	(III) None
(IV) Has the Company has established an effective accounting system and an internal control system for the implementation of ethical management and assigned the internal audit unit to formulate relevant audit plans based on the assessment results of the risk of unethical conduct and audit the compliance with the unethical conduct prevention plan accordingly or commissioned a CPA to perform such audits?	◎		(IV) The Company's accounting system is determined in accordance with the relevant TWSE/GTSM regulations and other relevant laws and regulations, and is determined in accordance with the nature of the accounting affairs, the actual business conditions, and the development and management needs. In terms of internal control, related tasks have been clearly defined. Different departments are used to check and coordinate with each other; all operations are handled in accordance with the Company's internal regulations and external regulations. Operation processes are complied with, the related authority and responsibilities are clarified, and self-audit of each unit and the internal audit by the audit unit are conducted to achieve the purpose of internal control.	(IV) None
(V) Does the Company regularly hold internal and external education and training on ethical management?	◎		(V) The Company has incorporated ethical corporate management topics into training programs for new hires and in-service employees to enhance awareness and implementation of ethical practices. A total of 71 employees participated in the in-service training held on December 9, 2024.	(V) None
III. Implementation of the Company's whistleblowing system				
(I) Has the Company formulated a specific whistleblowing and reward system, established a convenient whistleblowing method, and assigned appropriate personnel to handle the party accused?	◎		(I) The Company has set up a report and grievance window to handle any complaints. The Human Resources Department will report the violation of ethical corporate management by any personnel to the Personnel Review Committee for review and approval, and to determine the	(I) None

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
(II) Has the Company formulated standard operating procedures for investigation of reported cases, the follow-up measures to be taken after the investigation is completed, and a confidentiality mechanism?	◎		<p>punishment according to the regulations.</p> <p>(II) The Company has established the "Ethical Corporate Management Best Practice Principles." The Company's standard operating procedures for the investigation of reported matters are as follows:</p> <p>(1) The Company has set up a report and grievance window specifically for handling employees' reports on internal and external parties' illegal (including corruption) and unethical behaviors. The identity of the informants and the content of the report will be kept confidential.</p> <p>(2) The Human Resources Dept. reports the case to the Personnel Review Committee for review, approval and punishment according to the regulations.</p>	(II) None
(III) Does the Company take measures to protect whistleblowers from being mistreated due to their whistleblowing behavior?	◎		(III) The Company shall adopt measures to protect whistleblowers from undue treatment as a result of their whistleblowing.	(III) None
IV. Enhanced information disclosure Has the Company disclosed the content of its Corporate Governance Best Practice Principles and the effectiveness of the implementation of the principles on its website and the MOPS?	◎		The website address of the Company is: http://www.kpec.com.tw ; The Company has disclosed the information related to ethical management on the website. The Company has a spokesperson system in place as a bridge for information collection and disclosure and external communication, and discloses the implementation of the Ethical Corporate Management Best Practice Principles on the Company's website, annual reports and the prospectus.	None
V. If the Company has formulated its own Corporate Governance Best Practice Principles as per the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, please specify the difference between its operation and the principles: None.				
VI. Other important information that facilitates the understanding of the Company's ethical management: (e.g., reviewing and amending the Company's corporate governance best practice principles): None.				

(VIII) If the Company has established corporate governance best practice principles and related rules and regulations, the methods for inquiring about them shall be disclosed: The Company shall disclose the information on MOPS and in annual reports of the Company in accordance with the "Regulations Governing Information to be Published in Annual Reports of Public Companies" for external inquiries.

(IX) Other material information that is helpful for understanding the Company's corporate governance may be disclosed: None.

(X) Matters to be disclosed regarding the implementation of the internal control system:

1. Internal Control Statement: Please refer to page 48.
2. For those who appointed a CPA to review the internal control system, the CPA's review report shall be disclosed: None.

KING POLYTECHNIC ENGINEERING CO., LTD.

Statement of the Internal Control System

Date: March 10, 2025

The Company's internal control system for 2024 as per the results of our self-assessment is hereby declared as follows:

- I. The Company is clearly aware that the establishment, implementation, and maintenance of an internal control system are the responsibility of the Company's Board of Directors and managers, and the Company has established such a system. It aims to provide reasonable assurance for the achievement of the objectives, namely the effectiveness and efficiency of operations (including profitability, performance, and asset security protection), the reliability, timeliness, and transparency of financial reporting, and compliance with applicable laws and regulations.
- II. Some limitations are inherent in all internal control systems. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance regarding the achievement of the above three intended objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system is equipped with a self-monitoring mechanism. Once a defect is identified, the Company will take action to rectify it.
- III. The Company judges whether the design and implementation of the internal control system is effective based on the criteria for judging the effectiveness of the internal control system set out in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). Said criteria under the Regulations are divided into five constituent elements as per the management and control process: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring activities. Each constituent element includes several items. For said items, please refer to the Regulations.
- IV. The Company has adopted the aforesaid judgment criteria for the internal control system to determine whether the design and implementation of the internal control system are effective.
- V. Based on the results of the assessment in the preceding paragraph, the Company is of the opinion that, as of December 31, 2024, the internal control system (including the supervision and management of its subsidiaries), including the understanding the effectiveness of operations and the extent to which efficiency targets are achieved, reliable, timely, and transparent reporting, and compliance with applicable rules and applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing objectives.
- VI. This statement will form the main content of the Company's annual report and prospectus and will be made public. If the disclosed content above is false or there is material information concealed deliberately or otherwise, the Company will be legally liable pursuant to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement has been approved by the Company's Board of Directors on March 10, 2025. Among the nine directors present, none of them expressed objections. All the others agreed with the content of this statement. Therefore, this statement is hereby declared.

KING POLYTECHNIC ENGINEERING CO., LTD.

Chairman: Chien-Feng Hong

President: Ming-Tsan Chang

(XI) Penalties imposed against the Company and its internal personnel in accordance with the law, or penalties for violations of internal control regulations imposed by the Company in the most recent year up till the publication date of the annual report, major deficiencies, and improvements made : None.

(XII) Important resolutions by the shareholders' meeting and the Board of Directors in the most recent year and up to the publication date of the annual report:

(1) Important resolutions by the 2024 general shareholders' meeting and implementation:

The Company's 2024 shareholders' annual general meeting was held on June 19, 2024 at No. 2-1, Jinan Road, Sec. 1, Taipei City (NTU Alumni Association). The motions passed by shareholders' resolution and their implementation status are as follows:

I. Proposed Resolutions

1. 2023 Business Report and Financial Statements.

Implementation: The 2023 business report and financial statements were approved. Consolidated revenue for the year was NT\$5,313,804 thousand, net profit after tax was NT\$390,708 thousand, and earnings per share were NT\$5.25.

2. 2023 earnings distribution proposal.

Implementation status: The 2023 earnings distribution proposal of the Company had been resolved in the 10th meeting of the 15th Board of Directors, and was also approved in the 2024 Shareholders' Annual General Meeting, and the implementation was completed.

II. Items for discussion

1. New share issue through capitalization of retained earnings.

Implementation: The proposal was approved as proposed and announced on the Market Observation Post System (MOPS) and the Company's website as required.

(2) Major resolutions of the Board of Directors

Serial No.	Types of meeting (Board of Directors/Shareholders' Meeting)	Date of meeting	Important resolutions
1	The 15th Term 10th term	2024.3.12	<ol style="list-style-type: none"> 1.The Company's 2023 standalone and consolidated financial statements. 2.The Company's 2023 business report and 2024 business plan 3.The Company's statement of internal control for 2023 4.The Company General principles of pre-approved non-discretionary service policy 5.Independence of attesting CPAs. 6.The Company's 2023 earnings distribution proposal 7.The Company's capital increase by recapitalization of earnings and offering of new shares 8.Distributions of 2023 profit-sharing remuneration to employees and profit-sharing remuneration to directors 9.The convening time, venue and motion contents for the 2024 shareholders' annual general meeting, shareholders' proposals and venue for proposal acceptance.
2	The 15th Term 11th term	2024.5.6	<ol style="list-style-type: none"> 1.The Company's consolidated financial statements for Q1 of 2024. 2.Application to partner banks for a one-year revolving credit facility. 3.Renewal of a one-year office mortgage facility from Shanghai Commercial & Savings Bank, totaling NT\$120 million. 4.Ratification of application to Hua Nan Bank Ximen Branch for a project credit facility of NT\$570,785,625 for the Taichung Arena construction project. 5.2024 salary adjustment plan for employees and managers. 6.Acquisition of the 7th floor office at No. 206, Ruiguang Rd., Neihu District, Taipei City, through court auction.
3	The 15th Term 12th term	2024.8.5	<ol style="list-style-type: none"> 1.The Company's consolidated financial statements for Q2 of 2024. 2.Ratification of an endorsement and guarantee for subsidiary Hong Siang Construction Co., Ltd. 3.Determination of the ex-dividend and payment dates for 2024 earnings distribution. 4.Ratification of a credit facility application to Taiwan Cooperative Bills Finance Corporation totaling NT\$80 million. 5.Obtaining a mid-term project loan of NT\$203,584,000 from First Bank for the EPC project of Merck's OSIII and TMA process at the Kaohsiung site. 6.Ratification of a NT\$100 million credit facility from O-Bank. 7.Ratification of a NT\$50 million credit facility from Export-Import Bank of the Republic of China, Taichung Branch. 8.Ratification of an NT\$80 million credit facility from International Bills Finance Corporation. 9.Obtaining NT\$110.4 million project credit facility from Mega International Commercial Bank for the expansion of Grape King Bio's Longtan campus. 10.Acquisition of office space at 7F, No. 208 and No. 210, Ruiguang Rd., Neihu District, Taipei City from Taiwan Cooperative Asset Management Co., Ltd.
4	The 15th Term 13th term	2024.11.4	<ol style="list-style-type: none"> 1.The Company's consolidated financial statements for Q3 of 2024. 2.Amendments to the "Audit Committee Charter," renaming it to the "Audit and Risk Management Committee Charter." 3.Formulation of "Risk Management Policies and Procedures." 4.Establishment of the "Nomination Committee Charter." 5.Formulation of the "Sustainability Information Management Procedures" and "IT System Processing Cycle." 6.Amendments to the "Ethical Corporate Management Best Practice Principles" and "Procedures and Guidelines for Ethical Business Conduct." 6.Amendments to the "Material Information Handling and Insider Trading Prevention Procedures." 7.2025 Internal Audit Annual Plan. 8.Ratification of loan arrangements with Shanghai Commercial & Savings Bank for office mortgage financing. 9.Ratification of extension for performance bond facility for CPC Talin Oil Storage EPC project from First Bank. 10.Ratification of NT\$80 million credit facility from CTBC Bank. 11.Ratification of additional NT\$70 million credit facility from Export-Import Bank (totaling NT\$120 million). 12.Suspension of the Company's engineering consultancy business license for one year. 13.Increasing CSR implementation budget to a maximum of NT\$600,000 annually. 14.Establishment of "Sustainability Report Compilation and Assurance Procedures." 15.2023 Sustainability Report.
5	The 15th Term 14th term	2024.12.16	<ol style="list-style-type: none"> 1.Approval of various bonus distributions for 2024. 2.Amendments to "Financial Business Operation Guidelines for Affiliates, Specific Companies, and Related Parties." 3.Establishment of the "Intellectual Property Management Plan." 4.2025 Business Goals and Budget Report. 5.Formulation of general principles for the Company's prior approval policy for non-assurance services. 6.Resolution on CPA independence. 7.Execution of NT\$80 million mortgage loan agreement with Shanghai Commercial & Savings Bank. 8.Mid-term guarantee facility of NT\$210 million from Mega Bank for the EPC project of Kaohsiung Port oil terminal. 9.Application for NT\$50 million credit facility from Taiwan Bills Finance Corporation. 10.Election of members of the 1st Nomination Committee.
6	The 15th Term 15th term	2025.3.10	<ol style="list-style-type: none"> 1.Approval of individual and consolidated financial statements for 2024. 2.2024 Business Report. 3.2024 Internal Control Declaration. 4.2024 Earnings Distribution Proposal. 5.Distribution of employee compensation and director remuneration for 2024. 6.Amendments to part of the "Board Meeting Procedures." 7.Definition of grassroots employees. 8.Amendments to the "Articles of Incorporation." 9.Amendments to internal control procedures related to payroll and grassroots employee definition. 10.Proposal to merge with 100%-owned subsidiary Hong Siang Construction Co., Ltd. via simplified merger. 11.Determination of time, venue, and agenda for the 2025 Annual General Shareholders' Meeting; acceptance period and location for shareholder proposals. 12.The term of the current (15th) Board of Directors and Independent Directors is expiring; reelection to be carried out accordingly. 13.Nomination and qualification review of candidates for the 16th Board of Directors and Independent Directors. 14.Announcement of nomination period, number of seats, and location for submission of nominations for the 2025 AGM. 15.Proposal to lift non-competition restrictions for newly elected directors at the upcoming shareholders' meeting.

(XIII) During the most recent year and up to the date publication of this annual report, if the directors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

(XIV) During the most recent year and up to the date publication of this annual report, a summary of the resignation and dismissal of related persons to the Company (including the Chairman, President, chief accounting officer, chief financial officer, chief internal auditor, corporate governance officer, or R&D officer):

Job title	Name	Inauguration date	Date of dismissal	Reason for resignation or dismissal
Chief Auditor	Zhe-Min Zhu	August 14, 2023	March 31, 2024	Resigned due to career planning.

IV. Information on the Company's CPA audit fees

Unit: In Thousands of New Taiwan Dollars

Name of Accounting Firm	Name of CPA		Audit period	Audit fees	Non-audit fees	Total	Remarks (Note)
KPMG	Chia-Chien Tang	Ya-Lin Chen	2024/01/01~ 2024/12/31	2,490	750	3,240	None

Please specify the non-audit expenditure services: Tax certification and salary information checklist for full-time non-managerial employees.

Note: If the Company has replaced its CPAs or accounting firm this year, please state the audit period separately, explain the reason for the replacement in the remark column, and disclose the audit and non-audit fees paid.

V. Replacement of CPAs: None.

VI. The Company's Chairman, President, or any managerial officer in charge of financial or accounting affairs that has worked in the accounting firm or any of its affiliated company in the most recent year: None.

VII. Transfer or change in pledge of equity shares by directors, managers, or shareholders holding more than 10% of the shares issued by the Company in the most recent year and the current year up to the publication date of this annual report:

1. Changes in shareholdings of directors, managerial officers, and major shareholders

Unit: Shares

Title	Name	2024		The current year up to April 18	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Director and Group President	Jenn-Pan Horng	0	0	0	0
Chairman and Operational Vice President	Hong Chien-Fong	0	0	0	0
Director	Chuan Lun Investment Co., Ltd. Representative: Lai, Chi-Li	0	0	0	0
Director	Neptune Investment Co., Ltd. Representative: Shu-Hua Chang	0	0	0	0
Director and President	Chang Ming-Chan	0	0	0	0
Director	Chang, Pang-Yen	0	0	0	0
Independent Director	Hui-You Hsu	0	0	0	0
Independent Director	Jung-Hui Liang	0	0	0	0
Independent Director	Mao-Sheng Liang	0	0	0	0
General Administration Division Vice President/Chief Financial Officer	Chin-Pi Hsu	0	0	0	0
Vice President	Chun-Hsien Kao	0	0	0	0
Assistant Vice President	Cheng-Chuan Lu	0	0	0	0
Assistant Vice President	Yung-Hsi Chen	0	0	0	0
Assistant Vice President	Hsien-Chao Chang	0	0	0	0
Assistant Vice President	Chun-Hung Lee	0	0	0	0
Assistant Vice President	Ping-Ching Huang	0	0	0	0
Assistant Vice President	Chi-Tseng Tseng	0	0	0	0
Assistant Vice President	Lien-Tsai Kuo	0	0	0	0

1. Information on share transfer

Name	Reason for equity transfer	Transaction date	Counterparty of transaction	Relationship between counterparties and the Company, directors, independent directors, managerial officers, and shareholders with more than 10% ownership interest	Number of shares	Transaction price
None	None	None	None	None	None	None

2. Information on equity pledge:

Name	Reason for change in pledge	Date of change	Counterparty of transaction	Relationship between counterparties and the Company, directors, independent directors, managerial officers, and shareholders with more than 10% ownership interest	Number of shares	Pledge (redemption) amount
None	None	None	None	None	None	None

VIII. Information about the top ten shareholders with shareholding ratio, and their relationship with each other or their spouses or relatives within the second degree of kinship:

Relationship among the Top 10 Shareholders

April 18, 2025

Name	Shareholding of the individual		Shareholding of spouse or minor children		Total shareholding by nominee arrangement		Spouse and relatives within the second degree of kinship among the top ten shareholders who are related to each other as described in SFAS No. 6 related party, the names and their relationships.		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title	Relations	
TAIWAN BENEFIT COMPANY	3,050,979	3.91%	-	-	-	-	1. Jenn-Pan Hong 2. Chuan Lun Holding Co. Ltd.	1. Chairman of Taiwan Benefit Company 2. Corporate Director of Taiwan Benefit Company	
Representative: Jenn-Pan Hong	2,947,077	3.77%	879,570	1.13%	-	-	1. TAIWAN BENEFIT COMPANY 2. Lai Jen-Jen 3. Chee-Lee Lai 4. Lai Chi-Peng	1. Chairman of Taiwan Benefit Company 2. Spouse 3. Spouse's younger brother 4. Spouse's older brother	
Jenn-Pan Hong	2,947,077	3.77%	87,9570	1.13%	-	-	1. TAIWAN BENEFIT COMPANY 2. Lai Jen-Jen 3. Chee-Lee Lai 4. Lai Chi-Peng	1. Chairman of Taiwan Benefit Company 2. Spouse 3. Spouse's younger brother 4. Spouse's older brother	
Chuan Lun Holding Co. Ltd.	2,517,203	3.22%	-	-	-	-	TAIWAN BENEFIT COMPANY	Corporate Director of Taiwan Benefit Company	
Representative: Chee-Lee Lai	-	-	765,343	0.98%	-	-	1. Jenn-Pan Hong 2. Lai Jen-Jen 3. Lai Chi-Peng	1. Brother-in-law 2. Sister 3. Brother	
Jia Bang Investment Co. Ltd.	1,579,402	2.02%	-	-	-	-	-	-	
Representative: Lai Jen-Jen	879,570	1.13%	2,947,077	3.77%			1. Jenn-Pan Hong 2. Chee-Lee Lai 3. Lai Chi-Peng	1. Spouse 2. Brother 3. Brother	
Neptune Investment Co., Ltd.	1,545,429	1.98%	-	-	-	-	-	-	
Representative: Shu-Hua Chang	-	-	-	-	-	-	Yang Ming Investment Co., Ltd.	Representative of Yang Ming Investment Co., Ltd.	
Zhang Li-Jie	1,000,000	1.28%							
Yang Ming Investment Co., Ltd.	941,684	1.21%	-	-	-	-	-	-	
Representative: Shu-Ming Chang	-	-	-	-	-	-	Neptune Investment Co., Ltd.	Director of Neptune Investment Co., Ltd.	
Chang Yi-Hui	898,695	1.15%	-	-	-	-	-	-	
Lai Jen-Jen	879,570	1.13%					1. Jenn-Pan Hong 2. Chee-Lee Lai 3. Lai Chi-Peng	1. Spouse 2. Brother 3. Brother	
Lai Chi-Peng	790,727	1.01%	-	-	-	-	1. Jenn-Pan Hong 2. Lai Jen-Jen 3. Chee-Lee Lai	1. Brother-in-law 2. Sister 3. Brother	

Note 1: The top 10 shareholders shall be listed. For corporate shareholders, the name of the corporate shareholder and the name of the representative shall be listed separately.

Note 2: The shareholding ratio is calculated in the name of own name, spouse, underage children, or shareholding in the name of others.

Note 3: The relationship among the above-mentioned shareholders, including juristic persons and natural persons, shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Issuers.

IX. The total number of shares held and the consolidated shareholdings in any single investee by the Company, its directors, managerial officers, or any companies controlled either directly or indirectly by the Company

December 31, 2024 Unit: Shares: %

Investee	The Company's investment		Investment by directors, managerial officers, or any companies controlled either directly or indirectly by the Company		Comprehensive investment	
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %
BIOTEQUE CORPORATION (Note 1)	304,219	0.44%	-	-	304,219	0.44%
TAIWAN BENEFIT COMPANY (Note 1)	4,472,182	11.75%	7,902,129	20.77%	12,374,311	32.53%
LEAD DATA INC. (formerly known as Yili Technology) (Note 1)	63,087	0.04%	-	-	63,087	0.04%
LNT TECHNOLOGY CO., LTD. (Note 2)	400,000	40.00%	-	-	400,000	40.00%
HONG SIANG CONSTRUCTION CO., LTD. (Note 3)	6,800,000	100.00%	-	-	6,800,000	100.00%
RELIANT REAL ESTATE DEVELOPMENT CO., LTD. (Note 3)	5,250,000	100.00%	-	-	5,250,000	100.00%
King Polytechnic (Texas) Corporation (Note 3)	270,000	100.00%	-	-	270,000	100.00%

Note 1: Financial assets measured at fair value through other comprehensive income

Note 2: Re-invested companies accounted for using the equity method

Note 3: Reinvested subsidiary wholly held by the Company

Three. Fundraising Status

I. Source of share capital

1. Formation of share capital:

April 18, 2025, Unit: NTD: Shares

Year/ Month	Face value per share (NTD)	Authorized capital		Paid-in capital		Remarks						
		Number of shares	Amount	Number of shares	amount	Source of share capital					Capital increased by assets other than cash	Others
						Conversion of corporate bonds	Cash capital increase by	Capitalization of earnings to increase the capital by	Capitalization of capital surplus	Total		
1982.08	10	1,000,000	10,000,000	600,000	6,000,000	-	6,000,000	-	-	6,000,000	None	-
1989.03	10	2,000,000	20,000,000	1,000,000	10,000,000	-	4,000,000	-	-	4,000,000	None	-
1989.05	10	5,000,000	50,000,000	2,750,000	27,500,000	-	17,500,000	-	-	17,500,000	None	-
1989.12	10	5,000,000	50,000,000	5,000,000	50,000,000	-	22,500,000	-	-	22,500,000	None	-
1998.03	10	20,000,000	200,000,000	10,000,000	100,000,000	-	50,000,000	-	-	50,000,000	None	Note 1
1998.07	10	20,000,000	200,000,000	19,990,000	199,900,000	-	99,900,000	-	-	99,900,000	None	Note 2
1999.07	10	35,000,000	350,000,000	23,846,399	238,463,990	-	-	18,573,990	19,990,000	38,563,990	None	Note 3
2000.06	10	35,000,000	350,000,000	27,626,096	276,260,960	-	-	23,489,130	14,307,840	37,796,970	None	Note 4
2001.07	10	35,000,000	350,000,000	30,907,750	309,077,500	-	-	29,501,410	3,315,130	32,816,540	None	Note 5
2002.09	10	50,000,000	500,000,000	33,864,797	338,647,970	-	-	29,570,470	-	29,570,470	None	Note 6
2005.10	10	50,000,000	500,000,000	34,600,068	346,000,680	7,352,710	-	-	-	7,352,710	None	Note 7
2006.01	10	50,000,000	500,000,000	35,198,090	351,980,900	5,980,220	-	-	-	5,980,220	None	Note 8
2006.04	10	50,000,000	500,000,000	40,913,721	409,137,210	57,156,310	-	-	-	57,156,310	None	Note 9
2006.07	10	80,000,000	800,000,000	41,011,760	410,117,600	-	-	-	-	980,390	None	Note 10
2006.10	10	80,000,000	800,000,000	43,103,833	431,038,330	-	-	20,920,730	-	20,920,730	None	Note 11
2007.01	10	80,000,000	800,000,000	43,983,078	439,830,780	8,792,450	-	-	-	8,792,450	None	Note 12
2007.04	10	80,000,000	800,000,000	46,280,831	462,808,310	22,977,530	-	-	-	22,977,530	None	Note 13
2007.10	10	80,000,000	800,000,000	49,052,192	490,521,920	-	-	27,713,610	-	27,713,610	None	Note 14
2008.03	10	80,000,000	800,000,000	49,145,411	491,454,110	-	-	-	-	932,190	None	Note 15
2008.08	10	80,000,000	800,000,000	50,662,352	506,623,520	15,169,410	-	-	-	15,169,410	None	Note 16
2008.09	10	80,000,000	800,000,000	51,992,806	519,928,060	-	-	13,304,540	-	13,304,540	None	Note 17
2008.11	10	80,000,000	800,000,000	52,586,025	525,860,250	5,932,190	-	-	-	5,932,190	None	Note 18
2009.02	10	80,000,000	800,000,000	52,642,099	526,420,990	560,740	-	-	-	560,740	None	Note 19
2009.04	10	80,000,000	800,000,000	58,090,640	580,906,400	5,448,541	-	-	-	5,448,541	None	Note 20
2009.07	10	80,000,000	800,000,000	61,342,957	613,429,570	3,252,317	-	-	-	3,252,317	None	Note 21
2009.08	10	80,000,000	800,000,000	61,370,994	613,709,940	28,037	-	-	-	28,037	None	Note 22
2009.09	10	80,000,000	800,000,000	62,950,257	629,502,570	-	-	15,792,630	-	15,792,630	None	Note 23
2010.10	10	80,000,000	800,000,000	64,838,764	648,387,640	-	-	18,885,070	-	18,885,070	None	Note 24
2011.09	10	80,000,000	800,000,000	68,729,089	687,290,890	-	-	38,903,250	-	38,903,250	None	Note 25
2012.07	10	100,000,00	1,000,000,0	68,729,089	687,290,890	-	-	-	-	-	None	Note 26
2020.10	10	100,000,00	1,000,000,0	70,790,961	707,909,610	-	-	20,618,720	-	20,618,720	None	Note 27
2022.12	10	100,000,00	1,000,000,0	72,206,780	722,067,800	-	-	14,158,190	-	14,158,190	None	Note 28
2023.09	10	100,000,00	1,000,000,0	74,372,983	743,729,830	-	-	21,662,030	-	21,662,030	None	Note 29
2024.09	10	100,000,00	1,000,000,0	78,091,632	780,916,320	-	-	37,186,490	-	37,186,490	None	Note 30

Note 1: Approved by the Ministry of Economic Affairs under Letter Ref. No. (87)-Shang-Zi 108185.

Note 2: Approved by the Ministry of Economic Affairs under Letter Ref. No. (87)-Shang-Zi 087125052.

Note 3: Approved by Letter Ref. No. (88) Tai-Cai-Zheng (I) 57892 dated July 5, 1999 from Securities and Futures Commission, Ministry of Finance.

Note 4: Approved by Letter Ref. No. (89) Tai-Cai-Zheng (I) 47517 dated June 1, 2000 from Securities and Futures Commission, Ministry of Finance.

Note 5: Approved by Letter Ref. No. (90) Tai-Cai-Zheng (I) 148299 dated July 25, 2001 from Securities and Futures Commission, Ministry of Finance.

Note 6: Approved by Letter Ref. No. Tai-Cai-Zheng (I) 0910152313 dated September 23, 2002 from Securities and Futures Commission, Ministry of Finance.

Note 7: Approved by Letter Ref. No. Fu-Jian-Shang 09423328120, dated October 26, 2005 from Taipei City Government.

Note 8: Approved by Letter Ref. No. Fu-Jian-Shang 09571884210, dated January 24, 2006 from Taipei City Government.

Note 9: Approved by Letter Ref. No. Fu-Jian-Shang 09575576100, dated April 12, 2006 from Taipei City Government.

Note 10: Approved by Letter Ref. No. Fu-Jian-Shang 09579623900, dated June 16, 2006 from Taipei City Government.

Note 11: Approved by Letter Ref. No. Fu-Jian-Shang 09583860210, dated October 12, 2006 from Taipei City Government.

Note 12: Approved by Letter Ref. No. Fu-Jian-Shang 09680441710, dated January 17, 2007 from Taipei City Government.

Note 13: Approved by Letter Ref. No. Fu-Jian-Shang 09683208900, dated April 17, 2007 from Taipei City Government.

Note 14: Approved by Letter Ref. No. Fu-Jian-Shang 09690681800, dated October 18, 2007 from Taipei City Government.

Note 15: Approved by Letter Ref. No. Fu-Jian-Shang 09783516410, dated April 29, 2008 from Taipei City Government.

Note 16: Approved by Letter Ref. No. Bei-Shang-I 0970029628, dated August 4, 2008 from Taipei City Government.

Note 17: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09701216640, dated August 29, 2008.

Note 18: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09701265330, dated October 24, 2008.

Note 19: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09801016420, dated February 2, 2009.

Note 20: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09801074690, dated April 17, 2009.

Note 21: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09801158180, dated July 20, 2009.

Note 22: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09801177430, dated August 6, 2009.

Note 23: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09801200110, dated September 2, 2009.

Note 24: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09901221380, dated October 1, 2010.

Note 25: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 10001215730, dated September 27, 2011.

Note 26: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 10101137020, dated July 13, 2012.

Note 27: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 10901187860, dated October 19, 2020.
Note 28: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 11101234000, dated December 9, 2022.
Note 29: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 11230174850, dated September 15, 2023.
Note 30: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 11330161290, dated September 6, 2024.

2. Type of shares:

April 18, 2025 Unit: Shares

Type \ Shares	Authorized capital			Remarks
	Number of shares issued	Number of shares unissued	Total	
Registered ordinary shares	78,091,632	21,908,368	100,000,000	

II. Shareholder structure

April 18, 2025

Shareholder structure	Government agencies	Financial institutions	People from Mainland China	Other juridical persons	Foreign institutions and natural persons	Individual	Total
Number of people	0	0	1	207	61	33,281	33,550
Number of shares held	0	0	1	11,604,863	2,060,854	64,425,914	78,091,632
Percentage of ownership %	0.00%	0.00%	0.00%	14.86%	2.64%	82.50%	100.00%

III. Equity dispersion

April 18, 2025

Shareholding range	Number of shareholders	Number of shares held	Shareholding
1-----999	24,523	813,058	1.04%
1,000-----5,000	6,719	13,087,078	16.76%
5,001-----10,000	1,137	7,675,422	9.83%
10,001-----15,000	465	5,518,122	7.07%
15,001-----20,000	174	3,050,232	3.91%
20,001-----30,000	219	5,402,010	6.92%
30,001-----50,000	141	5,396,710	6.91%
50,001----100,000	107	7,585,568	9.71%
100,001----200,000	37	4,984,994	6.38%
200,001----400,000	7	1,900,797	2.43%
400,001----600,000	4	1,865,885	2.39%
600,001----800,000	8	5,451,717	6.98%
800,001--1,000,000	4	3,719,949	4.76%
1,000,001 shares or more	5	11,640,090	14.91%
Total	33,550	78,091,632	100.00%

IV. List of major shareholders

Names, shareholdings, and percentages of shareholders holding at least 5% of the shares or top 10 shareholders.

April 18, 2025

Share Name of major shareholder	Number of shares held	Percentage of ownership %
TAIWAN BENEFIT COMPANY	3,050,979	3.91%
Jenn-Pan Hong	2,947,077	3.77%
Chuan Lun Investment Co., Ltd.	2,517,203	3.22%
Jia Bang Investment Co. Ltd.	1,579,402	2.02%
Neptune Investment Co., Ltd.	1,545,429	1.98%
Zhang Li-Jie	1,000,000	1.28%
Yang Ming Investment Co., Ltd.	941,684	1.21%
Chang Yi-Hui	898,695	1.15%
Lai Jen-Jen	879,570	1.13%
Lai Chi-Peng	790,727	1.01%

V. Market price and net asset value per share, earnings, dividends, and relevant information in the most recent two years

Unit: NTD; Thousand shares

Year			2023	2024
Items				
Market price per share	Highest		77.3	73.80
	Lowest		16.95	47.95
	Average		41	57.53
Book value per share	Before distribution		21.71	23.37
	After distribution		17.63	20.17
Earnings per share	Weighted average number of shares		74,373	78,092
	Earnings per share	Before adjustment	5.25	4.41
		After adjustment	5.19	4.36
Dividend per share	Cash dividends (Note 1)		3.2	3.2
	Stock dividend	0.5	0.5	-
		Distribution of capital surplus	-	-
	Cumulative unpaid dividends		-	-
Analysis of return on investment	Price-earnings ratio (Note 2)		7.81	13.05
	Price-dividend ratio (Note 3)		12.81	17.98
	Cash dividend yield (Note 4)		7.80	5.56

Note 1: The 2024 earnings distribution proposal is pending approval by the shareholders' annual general meeting for the current year.

Note 2: Price to earnings ratio = Average closing price per share for the year/earnings per share.

Note 3: Price to dividends ratio = Average closing price per share for the year/cash dividend per share.

Note 4: Cash dividends yield = Dividend per share/average closing price per share for the year.

VI. Dividend policy and implementation

1. The Company's dividend policy:

The Company's dividend policy is implemented in accordance with the Company Act and the Company's Articles of Incorporation, while maintaining balance in order to ensure the normal operation of the Company and protect the rights and interests of investors.

Any profits made in the current year shall be retained to cover accumulated losses, and then 8% of the pre-tax profits shall be appropriated as remuneration to employees. The distribution will be distributed in shares or cash upon resolution of the board of directors, and the recipients of the payment include employees of subordinate companies that meet certain criteria; The board of directors may resolve to appropriate no more than 2% of the above-mentioned profit as remuneration to directors. Employee remuneration and directors' remuneration distribution proposals shall be reported to the shareholders' meeting.

If the Company has earnings at the end of the year, it shall pay taxes according to laws, make up the accumulated losses, and then appropriate 10% as the legal reserve to the extent that it is of the same amount as the paid-in capital. Allocate the remainder as provision or reversal of special reserves according to laws and regulations; if there is any remaining balance, together with undistributed earnings, the board of directors will draft an earnings appropriation proposal and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

The Company's dividend policy is implemented in accordance with the Company Act and the Company's Articles of Incorporation, in response to the Company's long-term development needs, and in consideration of the Company's capital structure and long-term financial plans, the Board of Directors has formulated the principles for the distribution of dividends. The engineering service business of the Company is a capital- and technology-intensive industry. In order to consider the operating principles of a sound financial structure and the life cycle of each business, the retained earnings must be used to meet operational growth and investment needs. At this stage, a residual dividend policy is adopted. The ratio of stock dividends (including distribution of earnings and capital surplus) to cash dividends is determined based on the principle of earnings distribution according to the Company's capital needs, but the ratio of cash dividends shall not be less than 20%.

When the board of directors resolves to distribute dividends, if the closing price of the Company's common shares on the previous day is lower than the par value, the company may distribute cash dividends in whole or in part. The amount of earnings distribution, the type and percentage of dividends may depend on the actual profit and funding status of the year, and after the resolution of the board of directors, it is proposed to the shareholders' meeting for resolution.

2. Dividend distribution proposed in the current shareholders' meeting:

The Board of Directors of the Company resolved on March 10, 2025 to approve the Company's 2024 earnings distribution proposal, which is subject to the approval of the annual general shareholders' meeting for the current year.

Unit: New Taiwan Dollars

Items	Total
Undistributed earnings at beginning of period	345,439,484
Add (subtract): Change of re-measurement of defined benefit plan for the current period	(503,000)
Net profit after tax	344,216,900
Subtract: 10% legal reserve	(34,371,390)
Earnings available for distribution	654,781,994
Items for distribution:	
Cash dividend to shareholders at NT\$3.2 per share	249,893,222
Undistributed earnings at the end of the period	404,888,772

Note: Calculated on the basis of share capital on December 31, 2024, cash dividend of NT\$3.2.

3. Expected effect of major changes in dividend policy: The Company's dividend policy is not expected to be changed significantly, so it is not affected.

VII. The influence of the stock dividend proposed at the shareholders' meeting on the Company's operating performance and earnings per share: Not applicable.

VIII. Profit-sharing remuneration to employees and directors

1. The percentages of profit and ranges of profit-sharing remuneration to employees and directors as stated in the Company's Articles of Incorporation:

If there are earnings from the annual settlement of the Company, an amount to cover the accumulated deficits shall first be reserved from the earnings. Subsequently, allocate 8% and not more than 2% from the pre-tax income as remuneration for employees, and directors, respectively. The distribution proposal shall be reported to the shareholders' meeting.

2. Basis for estimation of employee remuneration and directors' remuneration in this period, basis for the calculation of the number of shares for stock dividends to employees, and accounting treatment if the amount distributed is different from the estimated amount:

- (1) The amount of remuneration to directors and employees is estimated in accordance with Articles 26 and 26-1 of the Company's Articles of Incorporation.
- (2) The estimated remuneration to directors and employees is not based on the method for the distribution of shares.
- (3) The accounting treatment if the actual amount distributed is different from the estimated amount: It will be treated as a change in accounting estimate and adjusted for book entry in the year of actual distribution.

3. The distribution of remuneration approved by the Board of Directors:

- (1) Amount of profit-sharing remuneration to employees and directors
The earnings distribution proposal approved by the 15th meeting of the 15th Board of Directors of the Company on March 10, 2025, with cash profit-sharing remuneration to employees of \$38,130,659 and profit-sharing remuneration to directors of \$9,532,665, which shall be reported to the annual general shareholders' meeting this year.
- (2) Employees' remuneration distributed in shares and its ratio to the net income after tax and the total employees' remuneration: Not applicable.
- (3) The imputed earnings per share after taking into account the proposed employees' remuneration and directors' remuneration:
Remuneration to employees, and directors to be distributed in 2024 are in cash and are recognized as expenses for the year according to laws, with no impact on earnings per share.

4. Where there is a difference between the actual distribution of the employees remuneration, and directors remuneration and the estimated amounts for the prior year (including the number of shares distributed, amount, and stock price), the amount of the difference, reason, and accounting treatment shall also be specified:

In accordance with the resolution of the shareholders' meeting, the Company will distribute profit-sharing remuneration to employees in the amount of NT\$42,968,139 and profit-sharing remuneration to directors in the amount of NT\$10,742,035 for 2023. There was no such difference.

IX. The repurchase of the Company's shares: None.

X. Issuance of corporate bonds: None.

XI. Issuance of preference shares: None.

XII. Issuance of depository receipts: None.

XIII. Issuance of employee stock warrants: None.

XIV. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

XV. The plan for the use of funds, including the contents of the plan and the progress: Not applicable.

Four. Overview of Operations

I. Operation of the Company

(I) Information on business

1. Scope of business

(1) Main business activities of the Company

- ① Plant planning, design, and construction for the petrochemical and chemical industries
- ② Planning, design, and construction of public works industry
- ③ Plant planning, design, and construction of high-tech industries such as electronics, semi-conductor, photoelectric communication, sterile clean room, and data center
- ④ Planning, design, and construction of clean energy and environmental protection industries
- ⑤ Residential and commercial building construction and electrical and mechanical engineering
- ⑥ Planning, design, and construction of smart factories, smart buildings, and smart healthcare-related industries
- ⑦ Plant planning, design, and construction for the biotechnology, medical, and pharmaceutical industries

(2) Weight of business

The Company's main business activities in 2024 and their shares of sales:

Unit: In Thousands of New Taiwan Dollars

Main business activities	2024	
	Amount	Percentage
MRT, power plants, air-conditioning electromechanical systems, and public works	2,001,682	48.45%
Petrochemical and chemical engineering	1,993,331	48.25%
Others	136,656	3.30%
Total	4,131,669	100.00%

(3) The products and services provided by the Company

Based on the different types of services provided, the Company provides the following main services:

- ① Plant planning, design, and construction of plants for petrochemical and chemical industries
This item is aimed at providing industrial plants such as petrochemical, chemical, electronic grade chemicals, power plants, and steel plants with design and construction services including civil engineering/steel structure, pipelines, equipment, instrument and electricity, fire protection, and environmental protection. The Company also provides customized services in accordance with the relevant standards and regulations and customer requirements.
- ② Various types of works in the public works industry
Public works refer to cases subject to public bidding by government agencies, including mass rapid transit system, UHV and cable tunnel works, public buildings and public housing, school buildings and dormitory.
- ③ Mechanical and electrical system integration of the plant in the construction of high-tech industrial plants
This item provides the planning, design, and construction services for clean room engineering, pipelines, I&C, electrical, air conditioning, fire prevention, water supply and drainage, and weak current required for plant construction in the electronics, semi-conductor, optoelectronic, communication, and data center industries, and to provide installation, testing, operation and follow-up maintenance services.
- ④ Design and construction of clean energy and environmental protection related industries

Clean energy and environmental protection related industries are such as hydrogen energy, geothermal, energy Storage, offshore wind power, waste incineration plants, natural gas receiving stations and other related facilities. The Company uses its system integration ability for EPC turnkey projects for joint collaborations with international professional manufacturers, upgrading our technical levels to win various clean energy and environmental protection related projects.

⑤ Construction and mechanical and electrical engineering of residential buildings, commercial buildings and general buildings

By utilizing the precision specifications and rapid construction experience of high-tech plants in the past, coupled with the rigorous project and quality management of traditional industrial plants, the Company is suitable for the construction projects of residential buildings, commercial buildings, hotels, resorts and general buildings, providing the best service.

⑥ Planning, design, and construction of smart factories, smart buildings, and smart healthcare

Due to the accelerated innovation in the information and communication industries, the smart factories, smart buildings, and smart medical care industries will develop rapidly, and will eventually gather and develop toward smart city. The Company has applied its expertise in Electrical and Mechanical (E&M) system integration to introduce smart solutions into new venues integrating disciplines such as architecture, information and communication, automatic control, air conditioning, and lighting energy conservation to digitize the storage and transportation information in the plant. The Situation Room will conduct big data analysis on the massive data of the production process and utility system that are visualized, and provide services such as planned diagnosis and predictive maintenance.

⑦ Plant planning, design, and construction for the biotechnology, medical, and pharmaceutical industries

This item involves applied biotechnology in the fields of pharmacy, medical equipment, agriculture, food, specialty chemicals, and environment. Taiwan's pharmacy industry is in conformity with international PIC/S GMP standards, and it has grasped the business opportunities to explore export markets. The government has set the goal for: Taiwan as the Asia-Pacific biotechnology and pharmaceutical R&D industry center. The Company has accumulated experience in many biotech plant projects and will actively strive for related plant construction business.

(4) New products and services planned to be developed

- ① Smart Factory
- ② Smart building
- ③ Smart healthcare

In response to the system technology evolution of various IoT products and the advent of the 5G and AI era, we will utilize our professional techniques in mechatronic systems integration engineering in combination with the self-developed energy management system by LNT Technology Co., Ltd. invested by the Group, and integrate related light-current and information communication system manufacturers to provide customers with comprehensive intelligent services in order to accelerate business development through EPC + intelligent value-added integrated services.

2. Overview of the industry

(1) Current status and development of the industry

Despite the global economy experiencing sluggish growth since 2024 due to geopolitical tensions, the US-China trade dispute, the Russia-Ukraine war, high inflation, weak end-market demand, and industry inventory adjustments, coupled with the continued uncertainties arising from the re-election of former President Trump and the ongoing trade conflicts starting from 2025, the demand for chips remains strong. This demand is driven by accelerated advancements in AI applications and advanced semiconductor manufacturing processes both domestically and internationally, fueling the global development of the Internet of Things, artificial intelligence, electric vehicles, robotics, cloud data centers, smart manufacturing, smart cities, and smart healthcare industries—sectors that continue to present robust long-term business opportunities.

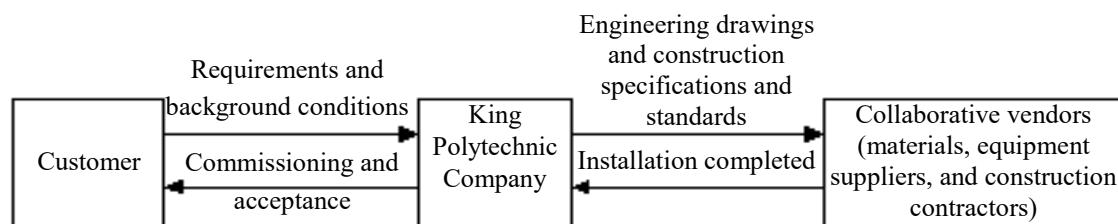
Moreover, to respond to the global net-zero carbon emission trend, the government has accelerated the implementation of ESG policies. Leading enterprises across industries are placing greater emphasis on carbon neutrality and green manufacturing. Petrochemical companies are also accelerating their transformation by investing in high-value and specialty chemical products, energy storage battery materials, and increasing investments in clean energy sources such as wind power, solar energy, hydrogen, and carbon capture, utilization, and storage (CCUS) technologies.

Therefore, our company will continue to strengthen the aforementioned core competencies and integrate corporate social responsibility and sustainability thinking into our business development strategies. We aim to enhance value-added innovative businesses and actively expand into related fields such as environmental energy, sustainable development, and the circular economy.

(2) Interrelationship among the upstream, midstream, and downstream industries

The Company mainly specializes in engineering services (including design and construction) and its customer base covers petrochemical, chemical, electronics, semi-conductor, solar/renewable energy, electricity, and public works fields. It is required that the basic and detailed design process of various professional engineering personnel (process, mechanical, electrical, instrument and control, pipeline, air-conditioning, and civil/structural) be converted into relevant engineering drawings (including design and construction). The relevant third-parties must complete the construction work according to the engineering drawings. During the period, in addition to continuous discussions with customers, all materials and equipment supplies, construction standards and specifications need to be confirmed to ensure that the requirements are met and the construction period can be completed within the deadline .

Figure 1. Relationship among the upstream, midstream and downstream of King Polytechnic



(3) Product development trends

- ① The continuous innovation of the information and communication industry has driven the development of the Internet of Things, artificial intelligence, electric vehicles, robots, cloud data centers, smart manufacturing, smart cities, and smart medical care worldwide. The related industries are booming, and the challenges that system integration will face in the future will be higher. It is no longer just for the connection of parallel systems like in the past. What is needed is more vertical integration. In particular, new products and technologies brought about by the Internet age need to be incorporated into the overall planning from the very beginning. Therefore, the system integration will become a new engineering platform, and all parties involved in the engineering construction process must engage in integrated interaction and cooperation in a transparent, non-interface, and non-sequential manner.
- ② In response to the diversification of 5G IoT applications, the Company will make use of the advantages and features mentioned in ① to jointly develop the high-quality data streaming of the mobile device for its full utilization. The aim is to satisfy the various needs of the customers and to offer better experiences.
- ③ In addition to cooperating with IoT technology, the Company will also establish its own smart design function for planning and design to further construct the integrity of the smart system.
- ④ As mentioned above, products and technologies based on intelligence and artificial intelligence (AI) are bound to become an integral part of future engineering construction. The Company will construct the 3T (IT+OT+ET) in one EPC + innovative services to its own professional engineering to provide substantive and complete solutions for our customers.

(4) Competition

Due to the advent of the Internet era, the division of labor in engineering construction is no longer differentiated in terms of priority and sequence. The Company will use its decades of professional experience and foundation in engineering

integration to establish a new engineering platform that incorporates smart design tools to complete the connection of all engineering interfaces, in order to achieve specific results with smart functions as the goal. To achieve this goal, it is necessary to have professional knowledge in the fields of civil engineering, structure, electromechanical, air conditioning, fire prevention, I&C, and weak current. The Company already has certain advantages on the existing foundation and will further strengthen its competitiveness. Establish strategic alliances with related third parties to provide solutions that meet actual needs. Although some IoT product technology vendors have also pursued system integration as their goal, they have not been able to achieve full success. IoT is only a tool, and system integration still requires contextual processes and experience to be the key. For example, both the production processes in manufacturing and the experience of senior technicians are essential. Therefore, the Company is fully confident that it will be able to stand out from the crowd when faced with the competitive environment.

Furthermore, the scope of engineering works will not only be more diverse and complex, but also larger in scale. The key to the success of a construction project management and professional technology will be closely combined with the smart design and management tools mentioned above, in order to be able to respond to the operation of huge and complex projects, and survive and grow in the ever-changing construction industry market.

3. Technology and R&D overview

(1) The technical level and research and development of the business

① Smart factory

It has been nearly 40 years since the Company's establishment, and it has completed the construction of many industrial plants for different production processes. The Company has a wealth of industrial processes and related data. In addition to using the accumulated experience in the past to help customers optimize production processes, we also introduced applied Computational fluid dynamics (CFD) at the design stage for simulation planning, Aveva E3D Design (formerly known as AVEVA PDMS), Building Information Modeling (BIM) and other 3D software modeling as the reference for construction and maintenance, so that customers can improve production efficiency and reduce costs in plant construction. and operating costs . In addition, with the rise of 5G, more products and technology applications will appear. The Company will work with other related product and technology supply partners, and use the engineering, procurement, and construction (EPC+) concept to achieve the goal of integrating information technology (IT). The combination of IT and operation technology (OT) equipment forms the ET engineering technology which enables us to provide customized smart manufacturing complete solutions based on customer characteristics.

② Smart buildings

As mentioned above, the buildings of the future will need to be as friendly to the environment and society as possible, while at the same time achieving the goal of sustainability. Under this premise, energy conservation and a circular economy will inevitably become issues of concern. Therefore, in addition to adopting BIM software modeling as the reference for construction and maintenance from the early stage, the Company also made full use of its professional strength in system integration to integrate construction, M&E, weak current, and EMS energy management system projects on the same engineering platform, including the construction of smart buildings, smart campuses, and smart cities with better efficiency.

③ Smart healthcare

In the future, IoT products and 5G technology will be widely used in the medical field, especially in remote diagnosis and nursing. Based on the basic electromechanical system for hospital construction, the Company will link with information and network related vendors to propose the best tailor-made solution. Meanwhile, the facility will be upgraded in accordance with the JCI standard.

(2) Successfully developed technologies or products

① Construction for petrochemical/chemical engineering/biotech industries:

In addition to the continued execution of the expansion project of the Carbon Fiber Plant of Formosa Plastics in Renwu, the turnkey engineering project of specialty chemicals for the semiconductor industry of the Southern Taiwan

Plant of a German company, the 12 oil tanks in Zone 1 of the CPC Dalin Petrochemical Oil Storage and Transportation Center, the large chemical engineering project of Formosa Plastics Group's Mailiao Plant, following the completion of the design project of Nanya's blood bag plant in Shulin last year, we successfully acquired the Grape King Biotech Longtan Park Phase II Expansion Project this year, which allows us to continue to expand our business into biotech industry. . The major projects completed so far include SHINY CHEMICAL's Storage and Transport Fire Prevention EPC Engineering at Kaohsiung Intercontinental Container Terminal, the design project of Nanya's blood bag plant in Shulin, the installation of hydrogen equipment at Taichung Port West Wharf by MGC Pure Chemicals Taiwan (MPCT); the expansion of new Huntsman plant; the turnkey project for upgrading the EDR equipment at Linyuan of CPC; big contract project for the installation of MGGH & WESP machinery at FP2 of MAILIAO POWER CORPORATION; rust remover and paint big contract project (multiple contracts) of Formosa Petrochemical Corporation (FPCC); turnkey project for the construction of new PET plant of Huntsman; Hua Yun Kaohsiung Intercontinental Oil Center; Indonesia Indofood Dairy Factory; Formosa Petrochemical Mailiao maintenance engineering; CPC compressor turnkey project; Taishan 20 tons aerobic fermentation system of Chang Gung Biotechnology Co., Ltd.; Formosa Plastics USA Texas HDPE Plant steel structure and equipment installation project; Formosa Petrochemical Mailiao MTBE #2 unit construction turnkey project; Taichung nitric acid plant turnkey project of TAIWAN FERTILIZER CO., LTD.; Taichung Port liquid ammonia freezer phase I and II project of TAIWAN FERTILIZER CO., LTD.; Taichung Plant public pipeline system of TAIWAN FERTILIZER CO., LTD.; Formosa Plastics' Mailiao SAP Plant mechanical construction project; TPCC's Linyuan Plant Revamping EPC project; FPCC's FGR&TO turnkey project for OL-1, 2, and 3 plants; civil engineering of boiler area for PTA#3 plant in Taoyuan of Oriental Petrochemical (Taiwan) Co., Ltd.; renovation project of NO.6/7/8 boiler denitrification equipment of Kaohsiung Plant of China Steel Corporation.

② Electronics, semi-conductor, clean room and other high-tech industry engineering:

In recent years, driven by the ongoing trend of advanced semiconductor packaging, the expanding demand for generative AI, and the continuous increase in demand for high-bandwidth memory (HBM) in AI server construction, major semiconductor technology companies and their related supply chains have been further expanding their investments. Our company has recently secured several turnkey projects that are nearing completion, including the specialty chemicals turnkey project for the German South Plant semiconductor industry, the new MEP and fire protection engineering for Formosa Plastics Shenggao Mailiao's second 12-inch wafer fab, and the Phase 9-3 nitrogen plant expansion turnkey project for Nanya Technology in Taishan. Additionally, this year we obtained the electromechanical engineering contract for MediaTek's new manufacturing and office building, which will significantly contribute to our company's continued deepening and expansion in the semiconductor and specialty chemicals industries. The projects completed by the Company in the past include the following: Clean room construction of Zhunan Factory of TacBright Optronics Corporation; M&E/air-conditioning/clean room construction of Yuanli Factory of Everlight Electronics Co., Ltd.; construction/E&M/clean room turnkey project for Bade Plant of UBRIGHT OPTRONICS CORPORATION; Nanke Fab 5 (TFT-LCD) of Chimei Innolux Corporation; wafer crystal growing fab of Episil-Precision Inc. in Hsinchu Science Park; Zhunan Fab of INPAQ TECHNOLOGY CO., LTD.; mechatronics/clean room of iTEQ; new clean room of Tripod (Wuxi) Electronic Co.,Ltd.; expansion of Kunshan Factory of Wus Printed Circuit (Kunshan) CO.,LTD.; construction of Hefei Factory of Radiant Innovation Inc.; plant M&E/air conditioning/clean room of Singapore Gaode Electronics (Wuxi) Co., Ltd.; M&E/air conditioning/clean room of Fujifilm Imaging System (Suzhou) Co., Ltd.; mechanical and electrical engineering of ASE ChungLi Plant.

③ Public works:

In order to promote economic development, the government has also continued to increase investment in public works and accelerate budget execution, resulting in a significant increase in the number of engineering procurement tenders. The Company used the various experiences and advantages it has accumulated in various engineering industries in the past to successfully win the water, electricity, fire, and air conditioning project of the new

construction of Taichung City Government Stadium, the Taichung Shuinan International Convention and Exhibition Second Phase; Taipower Zhongshan D/S reconstruction and Daan-Zhongshan 161kv line buried shield tunnel construction project-ancillary mechanical and electrical equipment engineering and Taipei City Government's No. 1 Fruit and Vegetable Market and Wanda Fish Wholesale Market electrical and air conditioning turnkey project. Other ongoing and completed projects: Taichung Shuinan International Convention and Exhibition Center Phase 1 - mechanical and electrical engineering, MRT 3rd ring road 3-Wanda Line M&E project; environmental control turnkey project; Taoyuan Airport tower and overall park new M&E turnkey project; Taipower Gaogang-Dalin high-voltage cable tunnel M&E turnkey project; Zhuyuan Extra-High Voltage Substation Export 161KV cable tunnel M&E turnkey project; Daan-Songhu 345KV tunnel M&E turnkey project; Taipei Port multi-purpose warehouse construction; MRT Songshan Line G19 Station Entrance B and utility power facilities and G18 Station Entrance B/Vent Shaft X (including connecting passages), water, electricity, environmental control engineering, elevator and escalator engineering; and, remote digital surveillance system construction for New Taipei City Police Department, and electrical and mechanical engineering and environmental control system engineering for Xinzhuang and Songshan MRT lines.

④ On residential buildings, commercial buildings, hotels and general construction projects:

The projects in progress and completed include the following: The new construction of the Science and Technology Laboratory Building of Fu Jen Catholic University; the new M&E turnkey project of the Environmental Change Research Building of Academia Sinica; the M&E turnkey project of the D/S multi-purpose complex of Taipower Fu-Ho D/S; the new M&E fire safety turnkey project of the Taichung Headquarters Building of Giant Manufacturing Co. Ltd.; new International Tourist Hotel of Cosmos Hotel in Hualien; new Huiguo Commercial Building in Taichung; new construction of Wong Chio's More in Xinzhuang; White Jade Bieyuan Residence by Dajie Construction Co., Ltd.; apartment complex in Zhongping Section, Taoyuan, Taipei Office M&E and renovation works for MediaTek Inc.; new construction of international student dormitory for Chung Yuan Christian University and Yang-Ming University; new construction of Taichung City Center Building; air-conditioning engineering of Learning Resource Building of National Tsing Hua University; and mechanical and electrical engineering of hotel in Taitung of Papago International Resort.

⑤ Clean energy, environmental protection, and intelligence:

In recent years, in response to the global climate change, net zero carbon emission target, circular economy and corporate sustainability, ESG will be regarded as a new opportunity to strengthen corporate competitiveness and enhance corporate value. The Company has long been committed to the R&D of green projects and circular economy technologies. In addition to introducing the energy-saving solutions developed by the Company into various fields, the Company also applies the professional and technical system integration accumulated over the years to practical experience and cooperates with its partners, and continue to provide customers with more services that are in line with the concept of corporate sustainability and the circular economy to help customers achieve their carbon neutrality goals and strive for more potential ESG engineering business opportunities.

The Company has successfully entered the arena of energy and environmental protection for the development of EPC turnkey project for the resource recovery furnace by acquiring the construction of the new resource recovery furnace plant from Chi Mei Corporation. This support our work in assisting customers and the Company to realize social sustainable development and corporate goals for friendly acts to the earth. In addition, in the field of intelligence, the Company has already acquired the electrical and water supply and drainage engineering project for the new construction of the Tucheng AI Park by BES Engineering Inc.. We will utilize our professional techniques in mechatronic systems integration engineering in combination with the self-developed energy management system by LNT Technology Co., Ltd. invested by the Group, and integrate related light-current and information communication system manufacturers to provide customers with comprehensive intelligent services in order to accelerate business development through EPC + intelligent value-added integrated services.

A. Energy management system:

The Company assists customers with the introduction of energy management systems to provide monitoring of in-plant equipment and instruments. Through energy information visualization, the Company collects energy data and integrates information. This helps to detect losses arising from abnormalities of equipment operation, mistakes by personnel during use, and raises efficiency for energy-saving strategies. Concurrently, the managing personnel can get hold of the real-time equipment operation status, comprehensive energy consumption analysis, and abnormal operation information to achieve the goal of energy efficiency improvement.

After the introduction of the energy management system, we can continue to strengthen the monitoring of various production process such as water, steam, electricity and raw material transportation to ensure a smooth supply, and optimize monitoring and adjustment within the controllable range to meet the needs of the process. This can also improve product quality and realize the automation of production and product management, to achieve the goal of reducing energy use and moving towards a smart factory.

B. Intelligent system:

Energy management system is the foundation for further introducing factory intelligence. The Company assists customers in introducing related technologies for factory intelligence, such as IoT, artificial intelligence, big data, cloud computing, and network security. Obtain the energy consumption and usage status of in-plant systems and equipment, integrate ERP, MES and other in-plant system information, and store it in the back-end big data database system. Cloud computing technology is used for compilation and analysis, and artificial intelligence is introduced to improve production efficiency. Reduce wasteful energy consumption in factories and improve equipment efficiency.

In addition to the integrated energy management system, the Company has developed a smart factory system that includes smart factory management, situation room, optimization of processes and utilities, predictive maintenance, and environmental quality and safety management. In the future, we will continue to assist customers in energy conservation and emission reduction, aiming at carbon balance and net zero emissions, reducing the use of energy such as oil, gas, water, electricity, coal, improving energy efficiency (load factor), and reducing energy costs. Optimized solutions to help customers achieve the global task of energy conservation and carbon reduction, and obtained ISO50001, ESG, RE100 and other related certifications.

4. Long-term and short-term business development plans

(1) Short-term development plans

The Company is one of the few contractors in Taiwan that can undertake EPC turnkey projects for medium-to-large-scale industrial process plants and public works. Its industries cover petrochemical/chemical, high-tech, public works, energy and environmental protection, and biotech and pharmaceutical fields, with professional background spanning over production process, civil engineering, construction, machinery, chemical engineering, instrument control, water, electricity, fire protection, air conditioning, clean rooms, and light-current. We have accumulated years of practical experience in project management in the professional technology of system integration from planning and design, procurement services, construction supervision, system integration, commissioning to operation and maintenance.

In response to the global net-zero carbon reduction trend, petrochemical companies have gradually transformed by investing in high-value and specialty chemical products, energy storage battery materials, and increasing investments in other clean energy sources. Additionally, due to continuous innovation in the information and communication technology industry and the ongoing trend of advanced semiconductor packaging, the global development of the Internet of Things, artificial intelligence, electric vehicles, robotics, cloud data centers, smart manufacturing, smart cities, and smart healthcare is being driven, with these related industries holding abundant long-term business opportunities. Therefore, our company will continue to strengthen the aforementioned core competencies and integrate corporate social responsibility, sustainability thinking, and business development strategies to enhance value-added innovative services and expand in areas related to environmental energy, sustainable development, and the circular economy.

A. Core business areas

① Petrochemical/chemical industry

Due to the gradual increase in petrochemical raw materials and chemical product production in Mainland China, the global market demand is nearing saturation, and large-scale expansion in the petrochemical and chemical industries is unlikely to reoccur. However, driven by the still burgeoning demand for advanced semiconductor processes and generative AI, the market for specialty chemicals remains strong. Consequently, petrochemical and chemical companies have recently begun transforming toward high-value specialty chemicals, electronic-grade chemicals, gas supply, and recycling development.

Moreover, in response to Taiwan's energy transition policies, industries related to hydrogen power generation, carbon capture, utilization, and storage (CCUS), environmental waste reduction, circular economy, and renewable energy are emerging as future construction demand trends. The petrochemical and chemical industries serve as foundational sectors for these emerging trends.

Our company has been deeply rooted in the petrochemical and chemical engineering field for over 40 years, boasting a strong professional service team. We continuously enhance process optimization technologies and various professional design capabilities, strengthen procurement and supply chain management, and improve on-site supervision and construction management. In recent years, we have actively advanced toward plant-wide digitalization and intelligent design, constructing modern smart factories and smart manufacturing with Industry 4.0 technologies. Through EPC plus value-added services, we help clients improve production efficiency, reduce construction costs, create greater value, and enhance their industrial competitiveness, ultimately achieving ESG sustainable operation goals.

② High-tech industry

Although the high-tech industry has faced multiple uncertainties and challenges since 2024 due to weak end-market demand and industry inventory adjustments, advanced packaging trends continue, generative AI demand is expanding, and the need for high-bandwidth memory (HBM) will keep increasing. As a result, major semiconductor technology companies and related supply chains will continue to expand investments, driving a recovery in the overall semiconductor sales market in 2025. Additionally, with the expanding applications of AI, there will be a corresponding boost in engineering opportunities for data centers.

After several years of capacity adjustments in the memory market, the proportion of high-bandwidth memory (HBM) is expected to gradually increase in response to rising AI and server demand, while conventional DRAM products will continue inventory destocking. The market is expected to gradually stabilize in the second half of 2025.

Our company will leverage the near-completion of the Formosa Shenggao 12-inch wafer fab Phase 2 MEP and fire protection turnkey project, along with semiconductor specialty chemical-related projects, and the newly awarded MediaTek Motech new factory office building electromechanical project this year. These will help us continuously build industry achievements and enhance related expertise to deepen our presence in the semiconductor and high-tech industries.

Moreover, during the construction process, our company has fully adopted BIM technology to improve spatial review capabilities, reduce pipeline clashes during construction, enhance construction accuracy, and achieve improvements in project quality and shortened schedules.

③ Public works

To stimulate economic growth, the government continues to increase investment in public infrastructure. In fiscal year 2025, the government's major public construction plans have allocated a total of NT\$292.25 billion in central government funds and the fifth phase of the Forward-Looking Infrastructure Development Program special budget, setting a new record high.

In addition to projects in public works fields where our company has long been deeply involved—such as mass rapid transit systems, ultra-high voltage underground cable tunnels, and public buildings—procurement and bidding for projects related to Taiwan Power Company's resilient power grid plan, CPC Corporation's net-zero transition

constructions, and digital infrastructure soft public works have also gradually commenced, presenting abundant business opportunities.

In 2023, our company was honored with the Ministry of Economic Affairs' highest public works quality award for the turnkey project involving auxiliary equipment piping for twelve oil tanks in Area One of CPC Dalin Petrochemical's oil storage and transportation center. Additionally, in 2024, we received the Gold Quality Award and the Gold Safety Award for the second phase of the Taichung Shui-Nan International Exhibition Center project, establishing an excellent reputation. Consequently, we have continued to win bids such as the electromechanical, fire protection, and air conditioning works for the new Taichung Arena, as well as the subcontract for electromechanical and environmental control works (CF624F) under the CF690B contract of the Taipei Metro Circular Line Y27-29 civil and electromechanical project.

Going forward, our company will continue to leverage our existing strengths and carefully select suitable bidding projects to pursue with full effort.

④ Clean energy and environmental protection related industries

Under the trends of net-zero emissions, green environmental protection, and corporate sustainability, the clean energy and low-carbon engineering-related industries will continue to expand their investments. Starting from 2025, the government has promoted the implementation of carbon fee collection and voluntary reduction plans, creating related engineering business opportunities.

Enterprises and state-owned entities such as CPC Corporation, Taiwan Power Company, and China Steel Corporation have begun establishing carbon capture and utilization technologies and are promoting the circular economy. The government is also actively supporting the development of renewable energy such as hydrogen power generation and offshore wind power, planning to replace coal-fired power plants with natural gas, and promoting liquefied natural gas (LNG) storage and transportation facilities as well as "green hydrogen" power generation technologies. In addition, in line with emission reduction and circular economy concepts, resource recovery from waste, recycled water, and recovery and reuse of waste solvents will become increasingly important. The establishment of zero-waste centers within future science and industrial parks is expected to become a key trend.

Our company will continue to monitor global energy transition opportunities. Leveraging the near-completion of the Chimei newly constructed resource recycling furnace factory project to enhance environmental expertise, combined with our EPC turnkey project system integration capabilities and collaboration with domestic and international technology know-how partners, we will actively pursue renewable energy and environmental protection-related projects.

⑤ Biotechnology, Medical, and Pharmaceutical Industries

With the global trend of population aging, Taiwan will enter a super-aged society in 2025, driven by technological advancements that foster breakthroughs in biotechnology. Taiwan's biotech industry encompasses applied biotechnology, pharmaceuticals, and medical devices, and has seen growth in global health demands following the pandemic.

Our company will leverage past experience from projects such as the Nanya Shulin Blood Bag Factory design, the second-phase expansion of Grape King Biotech's Longtan campus, and the 20-ton oxygen-consuming fermentation system at Chang Gung Biotech in Taishan to continuously enhance our expertise and actively pursue related factory construction businesses.

In the medical industry, many hospitals under the Ministry of Health and Welfare are housed in historic buildings requiring renovation or replacement. Several hospitals currently plan new construction or expansion. The Ministry's promotion of the "Next Generation Digital Healthcare Platform" (DHP) aims to break down medical data silos, provide more precise medical support, and drive digital transformation.

Through collaboration with Leotek Technology Co., Ltd., a group-affiliated investment company, our firm has secured smart healthcare-related projects at Chang Gung Memorial Hospital and will continue to develop smart healthcare technologies and actively participate in related initiatives.

B. Value-added innovative services

Driven by the global trends of energy conservation, carbon reduction, and environmental sustainability, the smart factory, smart building, and smart healthcare industries are rapidly developing and advancing toward the goal of smart cities. Our company, through investment in Leotek Technology Co., Ltd. and related intelligent system suppliers, has developed an energy management system that integrates big data and AI technologies. By visualizing energy information, we assist clients in improving energy efficiency, detecting abnormal losses, and establishing energy-saving strategies.

In the future, we will deepen monitoring of energy and raw materials in production processes and promote net-zero carbon transformation through advanced technologies to expand opportunities in green engineering. Additionally, through smart factory projects such as the China Engineering Cloud Universe Industrial Park construction, our company will accumulate intelligent technology experience and provide EPC+AI integrated value-added services to accelerate business growth.

C. Sustainable Development, Resource Integration, Circular Economy

Corporate sustainability and net-zero emissions have become critical issues. Our company has established a Corporate Sustainability Committee covering four major areas: "Sustainable Engineering," "Environmental Protection," "Social Prosperity," and "Corporate Governance." For consecutive years, we have completed ISO 14064 greenhouse gas emissions verification. In 2024 (Year 113), we officially published our Corporate Sustainability Report and are actively developing green technologies, investing in green engineering, and collaborating with partners to build a low-carbon supply chain. We provide net-zero EPC value engineering services to achieve energy saving, carbon reduction, and carbon neutrality goals.

Additionally, we continuously promote occupational health and safety management. We have implemented the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System and have received multiple related safety awards, ensuring employees and partners work in a safe environment. Our business spans various industries, and we will continue to leverage our expertise in mechanical and electrical system integration, combined with energy management, equipment maintenance, and predictive maintenance technologies. We are committed to realizing green and sustainable objectives in our projects, fulfilling our corporate environmental and social responsibilities.

Practical cases of circular economy and environmental protection of the Company (I): Installation of MGGH & WESP at Mailiao FP1 and FP2.

The 600MW*2 (FP1 and FP2) generating sets of the Liuqing coal-fired power plants of MAI-LIAO POWER CORPORATION use supercritical double-flow boilers. The design of the environmental protection equipment mainly consists of the Selective Catalytic Reduction (SCR), dry electrostatic precipitator (ESP), and Seawater Flue Gas Desulfurization (FGD) to reduce nitrogen oxides, particulate matter and sulphide emissions, and are designed and operated in accordance with the environmental impact assessment standards. However, in order to face the environmental protection issues that will be paid more attention to in the future, apart from controlling the concentration of total suspended particulates in the stacks of coal-fired power plants, the control of fine aerosol (PM_{2.5}) will inevitably be higher and the desulfuration by wet processes of flue-gas will lead to the visual pollution of "white smoke" emitted from the stacks. Even though the emission data meets the environmental protection requirements, the white smoke from the stacks still causes unpleasant impression to the outside world. On the basis of social corporate responsibility and to enhance corporate image, the Company has assisted customers in upgrading wet electrostatic precipitator (WESP) and water-borne flue gas heaters (MGGH) and other environmental protection equipment in order to bring the emission closer to the emission standards of natural gas generating sets. By the end of 2021, all six coal-fired power generating sets will be upgraded to achieve better clean and low-pollution emission

targets.

The installation of a wet electrostatic precipitator system (WESP) can reduce the concentration of dust and mist at the stack outlet to below 5mg/Nm³, achieving substantial pollution improvement, far exceeding the latest national standard (20mg/Nm³). The addition of a water-borne heat exchanger (MGGH) to reduce the flue gas temperature and the synergistic effect generated can strengthen the collection of dust, acid, mist, mercury and other pollutants, and further reduce the hazards of fine aerosols (PM_{2.5}).

The Company assists customers in achieving emission reduction, improving regional ambient air quality, alleviating environmental concerns of enterprises and the public, and promoting mutual assistance and co-prosperity. (Relevant information is quoted from MAI-LIAO POWER CORPORATION)

Example of circular economy and environmental protection (II): Renovation of denitration equipment for boilers #6, #7, and #8 of Kaohsiung Power Plant #2 of China Steel Corporation.

The addition of boiler DeNO_x equipment at the Kaohsiung Plant of China Steel Corporation mainly includes materials and accessories such as updating of low-NO_x burners, updating of SNCR equipment system, new SCR equipment system, and new addition of related electrical instrumentation and control pipelines.

This case is a collaboration between the Company and the US-based Fuel Tech. Fuel Tech provided professional technologies to improve the design of the denitration system for China Steel Corporation's boilers, while the Company was responsible for the on-site construction equipment installation. The main work items include: Replacement of low NO_x burners and SNCR system installation, SCR equipment individual hoisting, SCR equipment supporting steel structure fabrication and processing, steel structure hoisting, on-site steel structure platform modification and replacement, equipment component bolting and assembly welding, electrical instrumentation equipment installation, and installation of new pipelines.

China Steel Corporation has completed a number of air pollution improvement projects such as the denitration equipment for No. 6-8 boilers, the sintering and denitration equipment for No. 1-4, and the equipment renovation of No. 1 heating furnace in the steel plate workshop, and the heating furnace for the rolling production line. NO_x emission can be greatly improved. China Steel has implemented various air pollution improvement measures, such as automatic Continuous Emission Monitoring System (CEMS), and declares air pollution emission volume on a quarterly basis in accordance with the Air Pollution Control Act.

Through this project, the Company connected with the construction supplier ecosystem of the China Steel Plant, and learned the valuable and rare experience related to the denitration project of the power plant to improve its own design capabilities and construction experience, so as to contribute to the global climate and environmental protection industries in the future, in order to achieve the Company's business goals. (Relevant information is quoted from China Steel Corporation)

Example of circular economy and environmental protection (III): The case of the American chemical group Huntsman/Taoyuan Kuan Yin Plant.

On October 21, 2020, the American chemical group Huntsman's Taoyuan Guan Yin Plant was expanded and entered into operations. The Company adopted the innovative PET recycling technology of the Huntsman Group to carry

out the design, procurement, and construction for the expansion to the overall engineering service. Satisfied with the commissioning of the first phase of plant expansion, American chemical group Huntsman continued to commission the Company to design and construct the second phase and other related works in 2021 to continue expanding the production capacity of this plant.

The Huntsman Group has the patented technology to recycle PET bottles into polyurethane, and use the polyurethane material for the production of thermal insulation products for the food supply chain, environmentally friendly adhesives, thermal insulation, and automobiles. Before the expansion of Guan Yin Plant, Huntsman was able to lay 160+km of insulated pipes each year, benefiting 11 million people with clean heating, saving 97 million tons of water, 180 million kW of power, and 7.5 million tons of CO₂ reduction. PM₁₀ emissions were reduced by 6,800 tons, VOC emissions were reduced by 15,000 tons, and coal-fired smoke stacks were reduced by 5,400+ tons.

The Huntsman Kwan Yin Plant covers an area of 3,600 square meters with a total investment of US\$18.9 million. The plant converts PET plastic bottles into polyurethane materials. After the first phase of the Huntsman Kwan Yin Plant gets online, it will consume 440 million recycled PET bottles of 500 milliliter each year which its length can go around the globe twice. It is also a good example of environmental sustainability, energy conservation, and a circular economy. The PET bottles entering landfills or rivers and oceans are significantly reduced leading to less harm generated to the environment, saving more water and power, reduced CO₂ emissions and PM₁₀ emissions.

The Company is honored to assist the Huntsman Group in completing the plant expansion plan and to complete the first phase of construction from design to construction as scheduled. The Huntsman Guan Yin Plant entered into smooth operations as we achieve zero work hazards of work safety standards during the construction period of the entire plant and production line. The plant continues the recycling of PET bottles and contribute to the protection of the environment and the earth. (Relevant information quoted from Huntsman Corporation)

(2) Long-term development plan

① Development of new technologies, new construction methods, and expansion into new fields

In response to the global climate change, net zero carbon emission target, circular economy and corporate sustainability, ESG will be regarded as a new opportunity to strengthen corporate competitiveness and enhance corporate value. The Company has long been committed to the research and development of green projects and circular economy technologies. In addition to introducing the energy-saving solutions developed by the Company into various fields, we also use our own system integration capabilities for EPC turnkey projects, combined with collaborations with professional and international suppliers, we continue to upgrade and develop new technologies, and provide customers with more services that are in line with the concept of corporate sustainability and the circular economy. We help customers to achieve carbon neutrality goals, and then strive for more potential ESG engineering business opportunities and step into new fields.

② Develop EPC+ system integration value-added innovative services to create competitive differentiation in the market

In recent years, the Company has grown into a medium-to-large-scale EPC engineering contractor. In the future , 5G, AIoT, and AI products and technologies will inevitably become an integral part of engineering construction. The Company will apply its decades of engineering experience integrating professional experience and foundation, connect all related engineering interfaces, establish a new engineering platform, and use smart design tools to closely combine project management and professional technology to maximize work execution efficiency and strengthen overall team synergy. The framework (IT+OT+ ET) 3T integrated EPC+ system integration value-added innovative services provide customers with substantive and complete solutions and demonstrate the difference from competitors.

II. Overview of the market and production and sales

(I) Market analysis

1. Regions where major products or services are sold or provided

In Thousands of New Taiwan Dollars

Items \ Year	2023		2022	
	amount	%	amount	%
Domestic sales	5,313,804	100.00%	2,458,496	100.00%
Export sales	0	0.0%	0	0.0%
Net sales revenue	5,313,804	100.00%	2,458,496	100.00%

2. Market share

As mentioned above, the Company's business focus is the petrochemical industry, high-tech electronics industry, and public works business. In recent years, the Group has reinvested and established Grade-A construction plants and construction companies, and expanded its business to hotels, stores, and high-rise commercial/residential areas. Not only has the Company further expanded the scope of engineering services to include M&E turnkey construction, it has also allowed the Company to transform and respond appropriately when the macro environment changes.

However, as the Company's business fields are quite diverse and their competitiveness is different from each other, it is impossible to clearly determine the market share.

3. Supply and demand and growth potential of the market in the future

Due to the impacts of geopolitical tensions, the China-US trade conflict, the Russia-Ukraine war, high inflation, weak end-market demand, and industry inventory adjustments, economic growth remains sluggish. However, driven by the continued trend of advanced semiconductor packaging, expanding demand for generative AI, and the ongoing increase in demand for high-bandwidth memory (HBM) in AI server construction, major semiconductor and technology companies along with their supply chains will continue to expand investments. The related industries are expected to maintain robust long-term growth prospects. The market outlook is as follows:

- (1) Companies in the petrochemical/chemical industries have begun to invest in high-value products and semiconductor technology giants, and related supply chains. Many well-known enterprises are subsequently increasing their scale of investments in Taiwan in addition to the returning of Taiwanese businesses. Investments in new construction or expansion of production capacity present potential business opportunities.
- (2) The promotion of commercial buildings and public works is the engine that drives the domestic economy. To promote economic development, the government continues to expand investment in public works and accelerate budget execution. In addition, the government also channeled private funds into public works and made good use of BOT and OT to complete many projects. Public construction projects have also increased significantly.
- (3) Benefited from the government's continued promotion of clean energy policies, the European Union will introduce a carbon tax on imported goods in the near future, and ESG sustainability issues, domestic and foreign manufacturers have invested heavily in renewable energy and environmental protection industries, including waste incineration facilities, LNG natural gas receiving station, energy storage ,offshore wind power related facilities, geothermal energy, biogas, and biomass energy. In addition, the petrochemical industry is a source of high-emission pollution, and in the future, it is bound to actively research and develop to improve and optimize processes to achieve net-zero carbon emissions and the goal of a circular economy. Energy saving and carbon reduction, carbon capture, utilization, and storage (CCUS), environmental protection and waste reduction, circular economy, semiconductor specialties, and renewable energy and other process-related industries will be the future trend of demand for plant construction, and will create more opportunities for industrial innovation and engineering services.

- (4) Due to the rapid innovation in the information and communication technology (ICT) industry in recent years. Coupled with the rapid innovation of the information and communication industry, the smart factory, smart building, and smart medical industry are developing rapidly. In this way, the power of technology can reduce corporate operational risks, improve production efficiency, and reduce production costs. The complete solution of EPC + innovative service that integrates (IT+OT+ET) into 3T based on professional engineering capabilities will become a new trend in the future.

4. Competitive niche

- (1) Excellent reputation and outstanding engineering performance

It has been over 40 years since the Company was founded. As one of the few domestic contractors capable of undertaking mid-to-large-scale industrial process plant EPC turnkey projects and public works in the fields of petrochemical/chemical, high technology, public works, energy and environmental protection, and biotechnology and pharmacy, our professional technology of system integration has accumulated from many years of practical experience in project management. We are also one of the few engineering companies in Taiwan that can step into different industries at the same time. Compared with other peers, it can effectively reduce the economic cycle of operation risk. In addition, the Company has obtained the ISO-9001 quality management certification and also continues to implement safety and health management, and has introduced the ISO-14001 environmental management system and combined with the ISO-45001 Occupational Safety and Health Management System to ensure that all employees, collaborators and other work partners can work in a safe and friendly working environment making smooth completion of the construction.

- (2) Professional engineering and technical personnel and strict cost control

The Company mainly provides services to business owners in the form of projects. The core supervisors have more than 20 years of experience in the industry and have accumulated considerable experience in project management. A complete and detailed database of related projects is established through the case closure reports, in order to reduce the design cost of the connection. In addition, the Company also attaches great importance to the control of construction costs, and adopts a systematic approach from bidding cost estimation to procurement outsourcing mode and timing control. In addition to improving work efficiency, it can also effectively control risks.

- (3) Continue to strengthen core professional capabilities and enhance value-added innovative services

The Company has focused its development on two major areas: Core business areas and value-added innovative businesses. In addition to continuing to strengthen existing competitive advantages, we have also worked with partners to respond to changes in the external environment. Expand the integration of professional technical services such as energy management, equipment networking, smart factory, and smart buildings, and successfully integrate the circular economy with social responsibility and environmental protection to realize the Company's value and innovation, and to add value through EPC + smart integrated services expediting business opportunities.

5. Favorable and unfavorable factors for the development prospect and countermeasures

- (1) Favorable factors

As mentioned above, the reshuffle of the global supply chain and the implementation of the new policy direction will bring many engineering business opportunities. Customers are paying more attention to quality, choosing quality contractors carefully, and paying attention to sustainable development trends and ESG issues, which also contributes to the positive development of the engineering market.

- (2) Unfavorable factors and countermeasures

- ① Low price competition

Due to the large number of participants in various engineering fields in Taiwan, the proprietors still choose the lowest bidder to win the bid, resulting in increasingly fierce competition in the operating environment of the engineering industry.

Countermeasures:

Provide owners with process optimization and smart manufacturing production line process planning solutions to help achieve the goal of net zero carbon emission and a circular economy, thereby reducing operational risks and costs for owners. The Company offers good construction management capabilities and quality engineering services, strengthening the trust and acknowledgement by the owners. In addition, the Company will increase the contracting rate of construction projects with higher grades or larger amount of money to increase the bid-winning rate and maintain individual case profit. In addition, the Company also strengthens its competitiveness through the establishment of stable cooperative relations with suppliers and effective cost control.

② Raw material prices continue to fluctuate

In recent years, due to the impact of global inflation, the U.S.-China trade war, and geopolitical factors, raw material prices have fluctuated greatly, making it difficult to control costs, resulting in an increase in management risks.

Countermeasures:

Shorten the design process, grasp the quantity of materials purchased as soon as possible, and shorten the procurement process to speed up the order signing time. In addition, the Company has adopted exchange rate hedging measures for purchased equipment to reduce procurement costs.

(II) Important uses and production processes of the main products

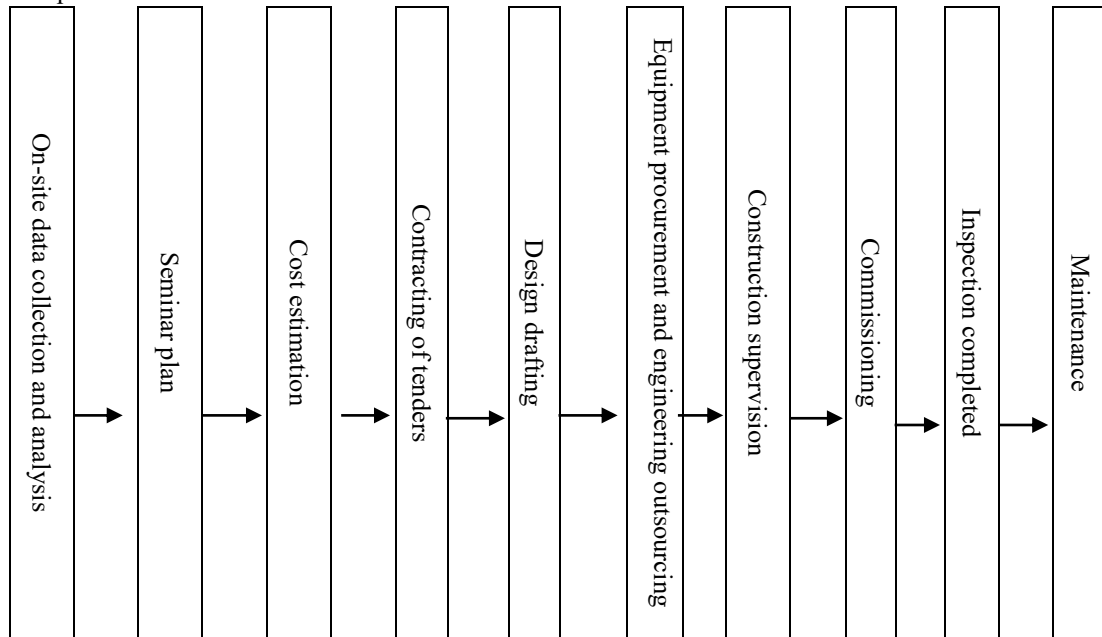
1. Important uses of the main products

Main products	Purpose
Petrochemical, chemical engineering and public works	Planning, design, construction, and construction of petrochemical, chemical and public works.
Construction of hotels, stores, commercial offices, and residences	Design and construction of water, electricity, air conditioning, fire protection and intelligent weak current systems.
Electronics, Semiconductor and Clean room projects	Plant construction evaluation, planning and design of mechanical and electrical systems; water, ultra-pure water, wastewater and waste gas treatment engineering planning, design and construction; whole plant planning and design of air-conditioning sterile clean room projects for electronic high-tech industries and semiconductor industries, and construction and building.
Solar/renewable energy	System design, planning, and construction of turnkey projects, and parallel connection with the Taiwan Power Company (TPC) power supply system and subsidies application.
Environmental engineering	Pollution prevention and purification.
Biotechnology Engineering	Production method design, basic/detailed design, fermentation tank, sterile room design and construction, whole plant design and construction
Clean room equipment	Design and manufacturing of clean room equipment

The Company's main products are the provision of professional and technical services related to factory construction to owners, such as assessment, planning, design, supply of equipment, construction supervision, construction, commissioning, and maintenance. For the owner, if the engineering company has experienced professionals, excellent design ability, exquisite construction technology, strict quality control, perfect progress control and stable financial status, the construction business undertaken by the company is guaranteed. It can be successfully completed under the principle of economy, and can achieve the goals of good quality and best efficiency. Therefore, with the abundant experience accumulated over the years and the continuously updated and advanced technology, the Company can provide the owners

with the most complete engineering and technical services, so that the factory can complete the production smoothly within the budget, achieve the investment benefits as soon as possible, create profits, create employment opportunities, and enable the country's economy to grow steadily.

2. Production process



(III) Supply of main raw materials

Category	Main raw materials	Supply status
Civil engineering	Ready-mix concrete, rebar	Domestic supply, normal
Steel structure	Steel and iron products	Domestic supply, normal
Electricity	Switchboard, components in the board, cables, transformers	Domestic supply, normal
Dashboard	Detection component, control component	Domestic and foreign supply, normal
Pipeline	Plastic pipes, iron and steel pipes, valves	Domestic supply, normal
Equipment	Pump, compressor	Domestic and foreign supply, normal
Equipment	Motor	Domestic and foreign supply, normal
Equipment	Generator	Domestic and foreign supply, normal
Equipment	Fire-fighting equipment	Domestic supply, normal
Equipment	Inverter	Domestic supply, normal
Equipment	Water chiller	Domestic and foreign supply, normal
Equipment	Tower and trough	Domestic supply, normal

The Company undertakes the turnkey construction projects commissioned by the owners to perform these professional operations. Therefore, in addition to the design, it is also responsible for the procurement of equipment, construction, and construction machinery and tools. Although the supply of equipment and construction labor are often in shortages due to market changes, the equipment purchased by the Company are all from reputable suppliers, and the direct labor required is supplied by the contractors that have cooperated with the Company for a long time. Therefore, there has been no circumstances of shortages in equipment and material supply or labor that affect the construction period.

(IV) Names, purchase (sales) amounts, and proportions of customers that accounted for more than 10% of total purchases (sales) in any of the previous two years, and explain the reasons for such changes

1. Suppliers whose purchases accounted for more than 10% of the total purchases in any one of the past two years:

Information of major suppliers in the past two years

Unit: In Thousands of New Taiwan Dollars

2023				2024			
Title	amount	As a percentage of the annual net purchase [%]	Relations with the issuer		amount	As a percentage of the annual net purchase [%]	Relations with the issuer
Others	4,280,976	100	—	Others	3,157,190	100	—
Net purchase	4,280,976	100	—	Net purchase	3,157,190	100	—

More than 90% of the Company's operating income comes from the engineering business. Since the Company undertakes various turnkey projects and subcontracts them to various subcontractors, the suppliers who accounted for more than 10% of the total purchases are the sub-contractors. Furthermore, as the contracted works are in different regions, under the limits of geographical conditions, the sub-contractors are different too based on the different project locations. Hence, the differences as a result.

Customers whose sales accounted for more than 10% of the total sales in any one of the past two years

Information on major customers in the past two years

Unit: In Thousands of New Taiwan Dollars

2023				2024			
Title	amount	As a percentage of the annual net sale [%]	Relations with the issuer	Title	amount	As a percentage of the annual net sale [%]	Relations with the issuer
T	951,215	17.90	None	T	956,434	23.15	None
F	1,885,426	35.48	None	F	691,513	16.74	None
D	221,689	4.17	None	D	555,784	13.45	None
Others	2,255,474	42.45	—	Others	1,927,937	46.66	—
Net revenue	5,313,804	100.00	—	Net revenue	4,131,669	100.00	—

The Company provides mechanical and electrical system engineering integration services in the form of projects. Since the service targets of individual projects are mostly different and scattered in various places, the customers who have accounted for more than 10% of the total sales in any one of the recent two years are the construction projects undertaken by the Company and vary from case to case.

(V) Production volume and value in the past two years

Unit: In Thousands of New Taiwan Dollars

Production volume and value Major commodities	Year	2023			2024		
		Capacity	Volume	Value	Capacity	Volume	Value
MRT, power plants, air-conditioning electromechanical systems, and public works		-	-	1,187,479	-	-	1,896,684
Petrochemical and chemical engineering		-	-	3,463,002	-	-	1,591,547
Others		-	-	62,788	-	-	115,553
Total		-	-	4,713,269	-	-	3,603,784

Note: Unable to list the production capacity and volume due to the fact that the design, system assembly and construction of the cases undertaken were carried out by the Company according to the specifications required by the client. As each case is not similar in nature, each has its own independence, and there is no consistent statistical unit for the quantity.

(VI) Sales volume and value in the past two years

Unit: In Thousands of New Taiwan Dollars

Sales volume and value Major commodities	Year	2023				2024			
		Domestic sales		Export		Domestic sales		Export	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
MRT, power plants, air-conditioning electromechanical systems, and public works		-	1,297,241	-	0	-	2,001,682	-	0
Petrochemical and chemical engineering		-	3,925,154	-	0	-	1,993,331	-	0
Others		-	91,409	-	0	-	136,656	-	0
Total		-	5,313,804	-	0	-	4,131,669	-	0

Note: Unable to list the sales volume due to the fact that the design, system assembly and construction of the cases undertaken were carried out by the Company according to the specifications required by the client. As each case is not similar in nature, each has its own independence, and there is no consistent statistical unit for the quantity.

III. The number, average years of service, average age, and distribution of education attainment of in-service employees during the most recent two years

Year		2023	2024
Number of employees (person)	Direct personnel	199	205
	Indirect personnel	35	36
	Total	234	241
Average age		46.93	46.31
Average years of service		7.26	7.37
Distribution of education attainment (%)	Doctoral degree	0.00%	0.00%
	Master's degree	11.54%	14.94%
	Bachelor degree	48.29%	46.89%
	Junior College	30.34%	26.56%
	Below Junior College Degree	9.83%	11.62%

IV. Information on environmental protection expenditure

The Company's business is mainly engaged in high-tech clean rooms and turnkey projects of industrial plants, which are not major polluting industries and are not likely to cause major environmental pollution. For the wastes generated during the construction process, we have contracted qualified waste clearance operators to handle them. We also strictly urge transportation suppliers to comply with the relevant waste disposal regulations to prevent any violation of the Waste Disposal Act.

(I) Total losses and penalties for environmental pollution in the most recent two years up till the publication date of this annual report: None.

(II) Countermeasures and possible expenditures in the future:

1. Future countermeasures (corrective measures): Supervise and cooperate with waste clearance vendors to clean up waste
2. Possible future expenditures (possible losses, penalties, and compensation if no responsive measures are taken): None.

Note: The Company is a construction service business, not a major polluting industry. The fines may arise only when the waste clearance operator fails to clean up the construction waste in a timely manner. Hence, there is no impact on the Company's earnings, competitive position and capital expenditure.

(III) Disclosure of ROHS-related information:

Given the characteristics of the industry, the Company is not affected by the European Union's Restriction of Hazardous Substances Directive (ROHS).

V. Work environment and employee personal safety protection measures

(I) Access control safety:

The Company has an access monitoring system installed during the day and at night, and a security company is in place to maintain security.

(II) Maintenance and inspection of various equipment:

1. Pursuant to the Regulations Governing Public Safety Inspection, Certification and Declaration of Buildings, commission a professional company to conduct public safety inspections every two or four years.
2. According to the Fire Services Act, the Company outsources fire inspections every year.

(III) Disaster prevention measures and response:

There are "Emergency Management Regulations" and "Safety and Health Code of Practice" in place and other precautions for disaster prevention and rescue, and procedures for reporting accidents.

(IV) Physiological hygiene:

1. Health checkup: New recruits undergo physical checkups. Incumbents undergo regular health checkups in accordance with the Labor Safety and Health Act.
2. Promote on-site medical care services to assist employees in safer and appropriate work, avoid health hazards in the workplace or at work, implement personal health protection and health management, and create a healthy and friendly workplace environment.
3. Hygienic working environment: Smoking is prohibited in all business premises, health seminars, CPR first aid training are held, and the office environment is regularly cleaned and disinfected.

(V) Mental health:

1. Education and training: The Company organizes courses on stress (emotion) management, communication skills, and creative thinking. It also provides employees with seminars on psychological adjustment, strengthening intellectual ability, and E-oriented education and training.
2. Expression of opinions: An exclusive web page has been created to provide employees with a discussion area, a proposal area, a download area for worksheets and various manuals, a learning area, and an education and training announcement area. It provides employees with a channel for expressing opinions, venting their feelings, and engaging in interactive learning.
3. Sexual harassment prevention: Complaints and punishment clauses have been established.

(VI) Insurance and medical care:

1. Purchase labor insurance (including occupational hazard insurance) and health insurance according to laws. In addition, contact insurance companies to provide employee accident insurance and accident medical insurance.
2. Condolences to employees hospitalized due to illness or accident.

VI. Labor-management relations

(I) Implementation of important employee welfare measures and labor-management agreements

The Company has not experienced any labor disputes since its inception. In terms of welfare measures, in addition to complying with the Labor Insurance Act, an "Employee Welfare Committee" has been established in accordance with the law to strive for the well-being of employees.

1. Employee welfare measures:

- (1) All employees of the Company are covered by employee accident group insurance, labor insurance, and national health insurance, and insured against maternity, injury, disability, old age, and death benefits.
- (2) The Company has established the Employee Welfare Committee and appropriated the welfare fund at the time of establishment according to the Company's Articles of Incorporation, and also contributed 0.05% per month from the Company's operating income, and fully credited the dividends in the bank as the source of funding for employee welfare subsidies.

2. Continuing education and training of employees

The Company has established the "Education and Training Regulations" since 2002 to invest in the cultivation and training of employees' work skills and functions according to their professional needs. This has always been the direction of the Company for the overall development of the Company.

The expenditure for employee training was NT\$839,897 thousand for the whole year, and the average number of training hours for employees in 2024 was 4.7 hours (4503 hours/ 954 employees).

The training hours and fees are as follows:

Category	Total hours	Total headcount	Total expenses (NT\$)
Professional license	1,961.5	173	281,566
Professional skills	318.5	56	127,300
Business Administration	371.5	79	109,800
General Studies	1,672.0	580	321,231
Training for new recruits	179.5	66	-
Self-inspiration training	-	-	-
Total	4,503.0	954	839,897

3. Retirement system and its implementation

In compliance with the regulations, the Company contributes 6% of the monthly salary to the individual pension accounts of the Bureau of Labor Insurance for new employees after July 2005 and existing employees who have opted for the new pension system. Existing employees under the old pension plan and those who have opted for the new pension plan will be subjected to the old pension plan and appropriated the appropriate amounts of pension reserves to a special account at Bank of Taiwan in accordance with the pension payment standards for employees under the old pension plan.

4. Agreements between labor and management and various employee rights protection measures:

Both labor and management operate successfully with respect to labor-management ethics. Regular labor-management meetings are held in which representatives from both employers and employees are appointed to engage in two-way communication on the various company systems and work environment and health and safety issues. These can become important source of references for management and administration aspects. In addition, the Employee Welfare Committee meetings are also set up. Employees who are enthusiastic about public welfare and good at communication participate in various meetings. In response to the Company's various welfare measures, various activities to promote a harmonious working atmosphere between the Company and employees and to build solidarity are proposed.

(II) Losses suffered as a result of labor disputes in the most recent year up till the publication date of this annual report, and disclose the estimated amounts that may occur currently and in the future and countermeasures. If the amount cannot be reasonably estimated, please specify the fact that it cannot be reasonably estimated.

1. The Company has not suffered any loss due to labor disputes in the most recent year and up to the publication date of this annual report.
2. Estimated amount of money that may be incurred currently and in the future and responsive measures: None.

VII. Cyber security management

1. Cyber security policy:

The Company has established an information security policy to ensure the confidentiality, integrity and availability of information assets, in order to comply with the Cyber Security Management Act and its subsidiary laws and other relevant laws and regulations, and to protect the Company from internal or external deliberate or accidental attacks and threats. The policy framework covers: Purpose, scope of application, goals, responsibilities, management indicators, management review, and implementation.

2. Specific management plans:

In terms of information security protection, the Company has invested in the hardware and software required for cyber security management to strengthen multi-layer protection for information security, including complex account password verification, host and client anti-virus, online behavior management/malicious website protection, and firewall, hosting data backup, data encryption, and network IP management. In terms of personnel investment, one information security supervisor and one information security person in charge are allocated to assist in the promotion of the Company's related information security services.

3. Resources invested in cyber security management:

(1) Sound cyber security management mechanism: To improve employees' cyber security awareness and self-protection awareness, the cyber security management review meeting will be held less than once a year to supervise and control related information security systems and incidents during the year. At least 3 hours of safety promotion and 1 cyber security incident reporting drill are conducted each year to raise the information security awareness of the Company's personnel.

(2) Participation in the information security joint defense mechanism: In order to strengthen the proactive defense strategy, the Company has joined the Taiwan TWCERT/CC information security alliance to exchange cyber hacking intelligence through this platform from time to time. This joint defense mechanism can expand the breadth of the Company's information security defense.

4. Resources invested in cyber security management:

In November of the 2024, our company established a "Network Equipment Redundancy and System Backup Mechanism," employing geographically separated backup environments and equipment. This approach aims to reduce the impact of natural disasters or human factors on critical data and services, thereby further ensuring operational stability and information transparency. Additionally, on December 16, 2024, the Board of Directors was reported on the execution status of information security risk management for the 2024.

In the most recent year up to the publication date of this annual report, the Group's losses due to major cyber security incidents, possible impacts, and countermeasures shall be stated. If unable to provide a reasonable estimation, the facts for it shall be stated: There was no loss due to information security issues as of the publication date of the annual report. The Group continues to implement information security management policies and targets, and regularly implements recovery plans and exercises to protect the security of the Company's important systems and data.

VIII. Material contracts

In addition to long-term borrowing contracts, the Company has many supply and sales contracts, technical cooperation contracts, and construction contracts that are still valid as of the printing date of this report and reaching maturity in the most recent year. Therefore, only representative projects in progress are listed as follows:

Nature of contracts	Parties concerned	Start and end dates of contract	Main content	Restrictive covenants
Construction contract	KAJIMA CORPORATION TAIWAN BRANCH (JAPAN)	The milestone dates for the Company's assistance to the owner after the contract was signed	Cable line shield of Kajima Corp.-Taipower	Cooperate with the owner in construction
Construction contract	Taipower North Region Construction Office	2015/08 - Cooperated with the owner in construction	New construction of Fu He D/S and multi-purpose complex	Cooperate with the owner in construction
Construction contract	DACIN Construction Co., Ltd.	2018/05-2028/07	MRT-Wanda Line (Phase 1) CQ870 Tender Project	Cooperate with the owner in construction
Construction contract	Formosa Petrochemical Corporation	2018/08 - Cooperated with the owner in construction	Formosa Plastics Refining Common Pipe Rack Derusting and Paint Package Project 2	Cooperate with the owner in construction
Construction contract	Construction Bureau, Taichung City Government	2019/01-Coordinated with the owner's construction	New construction of Shuinan International Convention and Exhibition Center of Taichung City Construction Bureau	Cooperate with the owner in construction

Nature of contracts	Parties concerned	Start and end dates of contract	Main content	Restrictive covenants
Construction contract	CPC CORPORATION, TAIWAN (CPC)	2020/02 - Cooperated with the owner in construction	Ancillary equipment and pipeline engineering of Dalin Oil Storage and Transportation Center, CPC	Cooperate with the owner in construction
Construction contract	BES Engineering Inc.	2020/03- Cooperated with the owner in construction	Reconstruction of No. 1 Chunghwa Fruit and Vegetable Market and Wanda Wholesale Fish Market	Cooperate with the owner in construction
Construction contract	Formosa Petrochemical Corporation	2020/10-2023/03	Rust removal and paint work for the combustion area of Formosa Plastics Refinery Utility Plant	Cooperate with the owner in construction
Construction contract	Formosa Petrochemical Corporation	2021/03-2025/06	Rust removal and paint encapsulation project for Formosa Plastics Refinery Utility Plant	Cooperate with the owner in construction
Construction contract	CHIMEI Corporation	2022/02-2024/02	Chimei Tainan New Recycling Furnace EPC Project	Cooperate with the owner in construction
Construction contract	Construction Bureau, Taichung City Government	2022/05-2024/04	Taichung International Convention and Exhibition Center Phase II Project	Cooperate with the owner in construction
Construction contract	Nanya Technology Corporation	2022/04-2024/07	Nanya Ke Taishan 9-3 nitrogen field supply system EPC turnkey project	Cooperate with the owner in construction
Construction contract	KAJIMA CORPORATION TAIWAN BRANCH (JAPAN)	2022/01- Cooperating with the owner in construction	Reconstruction of Kajima Zhongshan DS and buried shield tunnel of Daan-Zhongshan 161kV line	Cooperate with the owner in construction
Construction contract	Formosa Sumco Technology Corporation	2022/10-2023/12	New MEP system construction for Formosa Plastics Shengkao's Mailiao No. 2 12-inch Plant	Cooperate with the owner in construction
Construction contract	BES Engineering Inc.	2023/01-2026/05	New construction of BES Cloud Universal Park - Electrical and Water Supply and Drainage Works	Cooperate with the owner in construction
Construction contract	SAFC Hitech Taiwan Co., Ltd.	2023/11~2025/06	OS3 EPC Turkey Project for SAFC Kaohsiung	Cooperate with the owner in construction
Construction contract	SAFC Hitech Taiwan Co., Ltd.	2023/10~2025/06	TMA EPC Project for SAFC Kaohsiung	Cooperate with the owner in construction
Construction contract	New Construction Project for Taichung City Government	2024/01-2029/09	Construction project of Taichung Arena	Cooperate with the owner in construction
Construction contract	Formosa Plastics Corporation	2024/02-2024/10	Mechanical Engineering for the Expansion of Renwu Plant, Formosa Plastics	Construction contract
Construction contract	GRAPE KING BIO LTD	2024/04-2025/04	Extension Project for Longtan Park Phase II, GRAPE KING BIO	Construction contract
Construction contract	Formosa Plastics Corporation	2024/05-2024/12	Structural Steel and Fire Protection Works for the Frozen Storage Area at Formosa Plastics Kaohsiung Intercontinental Terminal	Cooperate with the owner in construction
Construction contract	Formosa Grandseas Bunkering and Trading Corporation	2024/07-2026/12	Mechanical and Electrical General Contracting for Taishun Kaohsiung Port Oil Barge Base	Cooperate with the owner in construction
Construction contract	CPC CORPORATION, TAIWAN (CPC)	2024/07-2025/07	Temporary Pipeline Installation for Liquefied Natural Gas at CPC Taichung Plant	Cooperate with the owner in construction
Construction contract	Continental Engineering Corporation	2024/12-2035/03	Electrical, Plumbing, and Environmental Control Works for the Northern Section of Circular Line CF624F Contract	Cooperate with the owner in construction

Five. Financial Position and Financial Results Review Analysis and Risk Management

I. Financial position

Comparison and Analysis of Financial Position

Unit: In Thousands of New Taiwan Dollars

Items \ Year	December 31, 2024	December 31, 2023	Difference	
			Amount	%
Current asset	4,245,113	3,210,880	1,034,233	32.21%
Long-term investment	209,152	106,539	102,613	96.31%
Property, plant and equipment	368,064	149,891	218,173	145.55%
Other assets	30,312	42,466	-12,154	-28.62%
Total assets	4,852,641	3,509,776	1,342,865	38.26%
Current liabilities	2,913,893	1,861,356	1,052,537	56.55%
non-current liabilities	113,669	33,965	79,704	234.67%
Total liabilities	3,027,562	1,895,321	1,132,241	59.74%
Share capital	780,916	743,730	37,186	5.00%
Additional paid-in capital	10,354	10,354	0	0.00%
Retained earnings	863,328	794,794	68,534	8.62%
Other equity	170,481	65,577	104,904	159.97%
Total equity	1,825,079	1,614,455	210,624	13.05%

Description of major changes:

1. Increase in Long-term investment: Due to the increase in unrealized gains on financial assets.
2. Increase in current liabilities and total liabilities: The revenue for the year 2024 was gradually recognized according to the progress of the projects, resulting in an increase in contract liabilities, which consequently led to a rise in current liabilities and total liabilities.

II. Financial performance

Comparative analysis of financial performance

Unit: In Thousands of New Taiwan Dollars

Items \ Year	2024	2023	Difference	
			Amount	%
Operating revenue	4,131,669	5,313,804	-1,182,135	-23.54%
Operating cost	3,603,784	4,713,269	-1,109,485	-23.54%
Gross profit	527,885	600,535	-72,650	-12.10%
Operating expenses	125,870	135,311	-9,441	-6.98%
Operating profit	402,015	465,224	-63,209	-13.59%
Non-operating income and expense	27,859	19,757	8,102	41.01%
Pre-tax profit from continuing operations	429,874	484,981	-55,107	-11.36%
Income tax expenses	85,657	94,273	-8,616	-9.14%
Net income of continuing operations	344,217	390,708	-46,491	-11.90%
Net profit for the period.	344,217	390,708	-46,491	-11.90%

Description of major changes:

- Decreases in gross profit, operating profit and net profit for the current period: The main reason is the decrease in operating revenue, which led to a reduction in gross profit, operating income, and net profit for the current period.

III. Cash flow

Analysis and description of cash flow changes in the most recent year

Items \ Year	2024	2023	Percentage of change	
			amount	%
Net cash flow from operating activities	960,170	600,136	360,034	59.99%
Net cash flow from investing activities	(213,535)	15,631	-229,166	-1466.10%
Net cash flow from financing activities	11,911	(370,505)	382,416	-103.21%

(I) Analysis of variation up to 20% in the percentage of increase/decrease:

- Increase in net cash flow from operating activities: Due to the increase in construction in progress, the net increase in contract assets resulted in higher net cash outflow from operating activities.
- Decrease in net cash flow from investing activities: Acquisition of fixed assets in 2024
- Increase in net cash flow from financing activities: Due to operational capital requirements this year, bank loans and short-term notes payable have increased.

(II) Improvement plan for insufficient liquidity: None.

(III) Liquidity analysis for the coming year

- Description of cash flow in the next year: No significant effect.
- Remedial measures for projected cash shortage and liquidity analysis: Not applicable.

IV. Influence of major capital expenditures on financial business in the most recent year: None.

V. The main reasons for the profit or loss of the re-investment policy in the latest year, and its improvement plans, and investment plans for the next year.

Company	Items	Initial investment amount (NTD Thousand)	Policy	Main reason for profit or loss	Improvement plan	Other investment plans in the future
HONG SIANG CONSTRUCTION CO., LTD.		NTD 68,000	To enter the public works, green building, urban renewal and turnkey projects related to construction industry.	The Company began to integrate its resources based on its Grade-A construction license advantage, to provide tender services and expand the Company's business. The synergies are preliminarily emerging, and only a small profit has been made.	—	—
RELIANT REAL ESTATE DEVELOPMENT CO., LTD.		NTD 52,500	Development and rental of residential buildings and trading of real estate.	Develop business opportunities in related construction projects, and then explore the business market for smart buildings and smart cities in the future. There is no suitable case, so no profit for the time being.	—	—
King Polytechnic (Texas) Corporation		USD 8,438	Co-ordinate the steel structure manufacturing and equipment installation works of Formosa Plastics USA, and win investment from Formosa Plastics USA to expand the petrochemical plant.	Since its establishment, the Company has generated earnings and contributed significantly to the performance and profits of the parent company in Taiwan, while laying the foundation for the U.S. market. However, we will continue to work hard to capture potential business opportunities of Formosa Plastics in the U.S.A..	—	—
LNT TECHNOLOGY CO., LTD.		NTD 60,000	Holding of 40% by KING POLYTECHNIC, the company specializes in the wholesale and installation of electrical appliances, and specializes in the integration and construction of intelligent projects. It can cooperate with KING POLYTECHNIC's EPC projects for co-creation.	Due to the small scale and small number of personnel of the two companies, they mostly undertake small-value projects so far, and no economies of scale have been generated. It is expected that the advantages of the two companies will be combined to compete for projects and create profits.	—	—

VI. Risk analysis and assessment

- (I) Impacts of changes in interest rates, exchange rates, and inflation in the most recent year on the Company's profit and loss, and future countermeasures:
- Changes in interest rates and inflation have no significant impact on the Company's operations and profit or loss. As for the responsive measures, the Company uses foreign exchange spot and forward transaction contracts as a tool to hedge the exchange rate risk. In addition, the Company maintains close and good interaction with suppliers and customers, and pays attention to changes in market prices at any time, so that the purchase and sale prices can be adjusted in response to market fluctuations and added a clause in major project contracts on adjustment to commodity prices. The increase in the index will lead to additional construction costs, thereby avoiding the impact of changes in inflation.
- (II) Policies on high-risk, high-leverage investments, lending of funds, endorsements and guarantees, and transactions of derivatives in the most recent year, main reasons for profit or loss, and countermeasures in the future:
1. The Company does not engage in high-risk or high-leverage investments.
 2. Regarding the lending of funds to others, endorsements and guarantees, and derivative product transactions, the Company has formulated the "Procedures for Lending of Funds to Others", "Procedures for Endorsements and Guarantees", and "Procedures for the Acquisition or Disposal of Assets" to regulate the lending of funds to others,

endorsements and guarantees and derivative transactions. The Company's derivative transactions are for the purpose of hedging rather than trading.

- (III) R&D plans in the most recent year, the current progress of unfinished R&D projects, the additional R&D expenses to be invested, the estimated time of completion of mass production, and the main factors affecting the success of R&D in the future:

Although the Company had excellent performance in the petrochemical and chemical engineering business and public engineering business in the past, in order to expand the business, we have conducted learnings and exchanges with vendors in the fields of Industry 4.0 and smart process related products and system technologies. We select and cooperate with high-quality parties and make use of the system integration capabilities of KING POLYTECHNIC to form a team to provide customers with complete solutions. In addition, as the pandemic may become the norm in the future, which will force medical institutions to accelerate the renovation and upgrade, the Company utilizes the above-mentioned EPC+smart added-value integrated services complying to the standard for international assessment of hospitals (Joint Commission International, JCI) to offer complete solutions and expand related engineering markets.

- (IV) Impacts of important domestic and foreign policies and legal changes in the most recent year on the Company's financial operations, and countermeasures:

The Company's business operations follow the applicable laws and regulations of domestic and foreign countries where it invests. Although fewer people have traveled overseas due to the impact of COVID-19, the Company's personnel from local subsidiaries still transmit important foreign policy and legal information back to Taiwan. It provides the management with a reference, so the Company can effectively respond to and grasp the impact of important policies and legal changes at home and abroad.

- (V) Impacts of changes in technology in the most recent year (including cyber security risks) on the Company's financial operations, and countermeasures

The Company has a strong technical service team, and its business scope covers engineering planning, design, procurement, construction, commissioning, engineering management, and whole plant turnkey projects. Therefore, technology research and development and innovation are originally an indispensable plan for operation. This is the Company's main competitive advantage. Therefore, changes in technology have brought more business and profit opportunities to the Company, and have a positive effect on the Company's financial operations. The Company has set up an IT department with dedicated IT personnel in charge of cyber security. They monitor the connection records of the firewall at all times for evaluation. Data is backed up to the mainframe on a daily basis, and the backed up data is moved to a rented computer room on a monthly basis to effectively reduce cyber security risk.

- (VI) Impacts of changes in corporate image in the most recent year on corporate crisis management, and countermeasures

The Company's business operations are based on the principle of prudence and integrity. The Company has a good corporate image. On July 14, 1990, the Company was listed for trading with its Class II stock, and it began to trade over the counter with its Class I stock on January 16, 2002. We have accumulated more than 30 years of experience in the industry. Therefore, we will attract more talents to join the company and build up the strength of the management team. The company will fulfill its social responsibilities by returning the results of its operations to the shareholders. Therefore, there was no risk to the corporate image. In the future, the Company will not only pursue the maximization of shareholders' equity, but also fulfill the corporate social responsibilities to further improve the corporate image.

- (VII) Estimated benefits and potential risks of M&A and countermeasures: None.

- (VIII) Estimated benefits, potential risks of plant expansion, and countermeasures: None.

- (IX) Risks of supplier or client concentration and countermeasures: None.

- (X) The influence of massive transfer or replacement of shares by the directors or shareholders each holding more than 10 % of the shares issued by the Company, the risk thereof, and countermeasures: None.

- (XI) The influence of change in the Company's management right, the risk thereof, and countermeasures: None.

- (XII) For litigations or non-litigations events, in the case of a court case or a non-contentious case, specify the names of the directors, the President, the de facto responsible person, shareholders each holding more than 10% of company shares, and subsidiaries with final ruling made or still in major legal proceedings, non-contentious matters, or administrative disputes, and where the result thereof may significantly affect shareholders' equity or stock price, disclose the fact of the contentions, the amount involved, the commencement date of the proceedings, the major litigants in the proceedings, and

the status as of the publication date of this report:

1. All litigations, non-litigations, or administrative litigations involving the Company in the most recent two years or as of the prospectus' publication date that have been concluded or are in progress and whose results may have significant impact on shareholders' equity or securities prices, the facts of the dispute, amount of money at stake, start date of litigation, main parties involved in the dispute, and the status of the dispute shall be disclosed: None.
2. In the case of a court case or a non-contentious case, specify the names of the directors, the President, the de facto responsible person, shareholders each holding more than 10% of company shares, and subordinate companies with final ruling made or still in major legal proceedings, non-contentious matters, or administrative disputes in the most recent two years and as of the prospectus' publication date, and where the result thereof may significantly affect shareholders' equity or stock price: None.

(XIII) Other important risks and countermeasures: None.

VII. Other important matters: None.

Six. Special Matters

I. Relevant information on affiliates

(1) Consolidated Business Report of Related Companies: Relevant materials have been uploaded to the Market Observation Post System (MOPS). Please refer to MOPS > Basic Information > e-Books > Related Companies Three-Document Section.

(2) Consolidated Financial Report of Related Companies: Relevant materials have been uploaded to the Market Observation Post System (MOPS). Please refer to MOPS > Basic Information > e-Books > Financial Reports.

(3) Related Companies Report: Not applicable.

II. Private placement of securities in the most recent year up till the publication date of this annual report: None.

III. Other necessary supplementary information: None.

IV. Any event as specified in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act with a material impact on shareholders' rights and interest or securities prices occurred to the Company during the most recent year and up to the publication date of this annual report: None.

Thank you for attending the AGM!

We welcome your comments and suggestions at any time!

**KING POLYTECHNIC ENGINEERING
CO., LTD.**

Chairman: Chien-Fong Hong